our future

our foundation

2006 ANNUAL REPORT

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IBC CORPORATE INFORMATION

Corporate Profile

Trican provides a comprehensive array of specialized products, equipment and services used during the exploration and development of oil and gas reserves.

Since its initial public offering in December 1996, Trican has invested over $501 million in new equipment and operating facilities, added new services to its business and expanded the scope of its operations to encompass the entire Western Canadian Sedimentary Basin (WCSB) and a significant portion of western Siberia. As a result of its aggressive expansion program, Trican has evolved from a regional supplier of cementing services to one of the world's largest well service companies.

Headquartered in Calgary, Alberta, Trican's principal operations are in Canada; however, the Company also has growing operations in Russia, Kazakhstan and the United States. The Canadian operations are conducted through bases in British Columbia, Alberta and Saskatchewan, and provide services to customers across the entire WCSB. Trican conducts its Russian operations through bases in the Tyumen region of western Siberia in the towns of Raduzhny, Nyagan, and Nefteyugansk and in Kyzylorda, Kazakhstan. Trican runs its recently acquired U.S. operations through bases that are situated in the Barnett Shale area of north-central Texas.

Through its operating divisions, Trican competes in the major sectors of the oilfield pressure pumping industry, which include coiled tubing, fracturing, nitrogen pumping, cementing and acidizing services. Trican's shares trade on The Toronto Stock Exchange under the symbol "TCW".

Notice of Annual Meeting

Trican is pleased to invite its shareholders and other interested parties to the Company's Annual Meeting at 2:00 p.m. on May 9, in the Metropolitan Conference Centre, 333-4th Avenue SW, Calgary, Alberta.

As a result of its aggressive expansion program, Trican has evolved from a regional supplier of cementing services to one of the world's largest well service companies.

Q1

- Despite losing approximately 20 to 25 days of work due to extremely cold weather in our Russian operations, results for the quarter established new Company records for all major financial and operational measures.
- Canadian operations enjoyed strong operating conditions, which included a cold spell late in March that delayed the onset of spring break-up and extended the winter drilling season.
- Activity in the Western Canadian Sedimentary Basin (WCSB), as measured by the number of active drilling rigs, was at an all time high, topping 740 during the quarter, 7% higher than the peak level last year.
- Additional equipment capacity and the opening of a new base in Nefteyugansk that was established to support the work on the new contract announced last year, helped drive record revenues and revenue per job for Russian operations.

Q2

- Revenue for the quarter increased 45% compared to 2005 establishing a new corporate high for the second quarter. Net income increased almost 120% to $17.4 million over the $8.0 million recorded in the second quarter of 2005.
- Operations in Canada were hampered by the late spring break-up which extended the winter drilling season in the first quarter but delayed the commencement of the summer exploration and development programs in the second quarter.
- Russian operations revenue increased over 129% to a record $46.3 million as customers catch up on work not completed during the extremely cold first quarter as well as a new base added in Nefteyugansk.
- On May 3, 2006, Trican's Board of Directors resolved to commence semi-annual dividend payments of $0.05 per share. On May 10, 2006, Trican's shareholders approved a stock split of the Company's common shares on a two-for-one basis.

Q3

- Trican's revenue for the quarter increased 40% compared to 2005 while net income increased over 49% to $54.6 million over the $36.6 million recorded in the fourth quarter of 2005.
- Weak natural gas prices had a greater impact on activity in the shallow and intermediate depth areas of the WCSB during the quarter as operators reduced spending on marginal gas plays such as shallow gas and coalbed methane programs.
- Trican's activity in the northern and deeper areas of the basin increased compared with last year, reflecting the Company's significant investment and strong presence in these markets.
- Revenue from Russian operations increased more than 150% to a record $56.2 million compared to 2005 as a result of increased equipment capacity and higher revenue per job which benefited from larger overall job sizes and improved pricing.
- Late in September, a Nefteyugansk fracturing crew completed a 536-tonne hydraulic fracturing treatment which took more than six hours to pump and was completed flawlessly as planned. This was the largest fracturing treatment ever undertaken by Trican and what we believe was the largest treatment executed in Russia at that time.

Q4

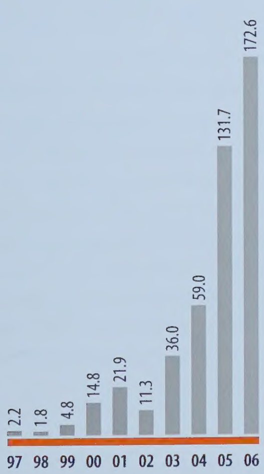
- Trican's consolidated revenue increased marginally compared to the same period in 2005 as the relative contribution from our Russian operations offset the decline in revenue in Canada.
- Activity in the WCSB as measured by the number of active drilling rigs decreased 25% for the quarter relative to the same period in 2005. Gas directed drilling in the shallow to intermediate depth areas of the basin was hardest hit, with lower demand for shallow cementing, conventional fracturing and CBM fracturing services.
- Russian operations set new quarterly record highs for total revenue and revenue per job as a result of three additional fracturing crews operating compared with the same period in 2005, combined with revenues from the new base established in Nefteyugansk late in 2005.
- Russian revenue per job of $142,368 set a new record, more than doubling the comparable prior quarter's amount of $68,889 as a result of overall larger job sizes, particularly in Nefteyugansk, and improved contract pricing.

Financial Summary ($ thousands, except per share amounts and operational information)

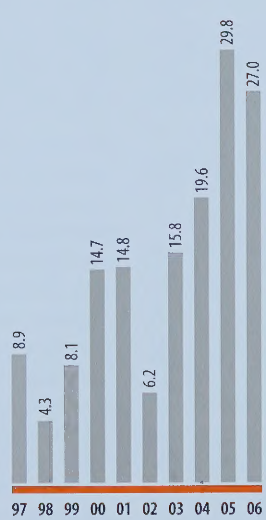
	2006	2005	Change	% Change
Revenue	**847,472**	640,898	206,574	32%
Net income	**172,563**	131,730	40,833	31%
Earnings per share:				
Basic	**$ 1.50**	$ 1.17	$ 0.33	28%
Diluted	**$ 1.44**	$ 1.12	$ 0.32	29%
Funds provided by operations	**226,520**	202,169	24,351	12%
Capital expenditures	**130,130**	119,970	10,160	8%
Long-term debt (excluding current portion)	**—**	6,703	(6,703)	(100%)
Shareholders' equity	**539,768**	361,083	178,685	49%
Weighted average shares outstanding - Basic	**114,846**	113,232	1,614	1%
Weighted average shares outstanding - Diluted	**119,572**	118,329	1,243	1%
Shares outstanding at year end	**115,198**	113,908	1,290	1%

Operational Information (unaudited)

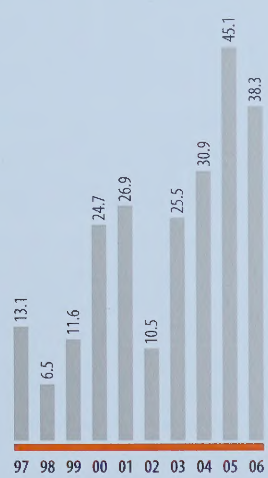
Well Service				
Number of jobs completed	**26,178**	25,890	288	1%
Revenue per job	**30,679**	23,393	7,286	31%
Production Services				
Number of jobs completed	**3,112**	2,211	901	41%
Revenue per job	**10,960**	10,213	747	7%
Number of hours	**11,947**	13,951	(2,004)	(14%)



NET INCOME
($ MILLIONS)



RETURN ON ASSETS
(%)



RETURN ON EQUITY
(%)

MURRAY L. COBBE
PRESIDENT AND CHIEF EXECUTIVE OFFICER

On behalf of the employees and Board of Directors of Trican Well Service Ltd., I am very pleased to report on the financial and operational results for our Company. 2006 marks Trican's tenth year as a public company and I am very proud to look back on all we have accomplished and very excited by the opportunities that lay ahead for our Company.

Our Foundation

Trican celebrated its tenth anniversary as a public company in December, 2006 and it has been a great ten years. When the Company first went public, Trican was a small regional cementing company focused on servicing its customers in the shallow areas surrounding Lloydminster, Alberta. With a new management team in place, we knew that there was an opportunity for a new Canadian company and we set out a two-pronged strategic approach:

- broaden our range of services to compete with the large multi-national pressure pumping companies;
- expand the geographical market for these services.

Ten years later Trican's operations now blanket the entire Western Canadian Sedimentary Basin. We offer a full suite of services including nitrogen, coiled tubing, and fracturing and have become the leading pressure pumping supplier in western Canada. We offer our services across the entire Basin; however, Trican has also established itself as the leading provider of highly technical services in the deeper areas of the Basin. These are demanding areas of business in which Trican's technical knowledge, proprietary technologies and operational expertise differentiate it from other service providers.

With growth well underway in Canada, we saw an opportunity to apply these same strategies in Russia. We invested in a small pressure pumping company that had been providing cementing services from a single base in western Siberia. Since that time the business has grown significantly, expanding its services and operational reach.

Two new bases have been added in Russia and one in Kazakhstan significantly increasing our area of operations. Hydraulic fracturing services were added to meet the needs of our customers looking to work over a large inventory of existing under performing oil wells. In 2007, we will begin offering coiled tubing and nitrogen services. We continue to assess new regions and will add new bases where we see the opportunity to offer our services.

Most recently we announced the acquisition of Liberty Pressure Pumping Services LP, a provider of fracturing services in the Barnett Shale play of north-central Texas. We are excited about this new opportunity and the prospects it provides for Trican. This is a young company that shares our vision of providing a high level of customer service with an emphasis on operational excellence.

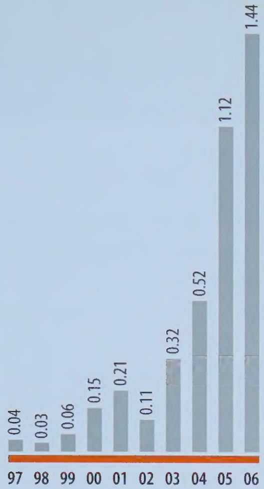
2006 in Review

Canadian Operations

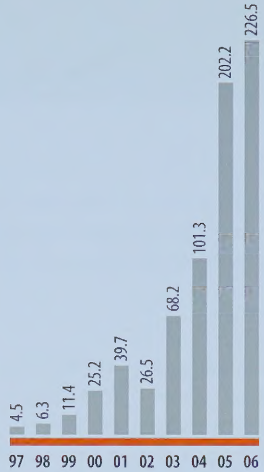
After several years of strong drilling activity in Canada, 2006 was a year when activity paused, as natural gas prices sank on fears of over supply after an extremely mild winter. Producers re-examined their planned expenditures in light of declining natural gas prices, new regulatory requirements and concern over service costs.

The year began well with high levels of demand and record levels of activity. However, as the year progressed activity slowed as natural gas prices fell in response to higher than normal inventory levels. The shallow areas of the basin were particularly hard hit as activity was dramatically cut from the prior year. Activity in the deeper regions proved to be more resilient, maintaining strong levels of activity for a good part of the year. However, by the fourth quarter Canadian operations slowed as our customers completed their 2006 programs and waited until after the new year to begin their 2007 exploration and development plans.

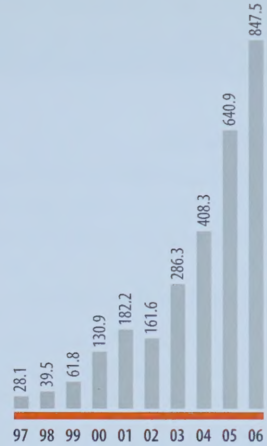
Despite these challenging conditions, we were able to establish a number of new financial and operational records. Revenue grew by 18% over 2005, with the number of jobs and revenue per job increasing by 4% and 14.5% respectively. We completed the largest capital build program in our Company's history, adding $140 million of new equipment to our Canadian operations fleet. In keeping with our recent strategy, most of this equipment is focused on the deeper areas of the basin, again reinforcing our position as the leading provider of services in the deeper more technical markets in Canada.



EARNINGS PER SHARE
($)



FUNDS FROM OPERATIONS
($ MILLIONS)



REVENUE
($ MILLIONS)

Russian Operations

2006 marked a year of considerable growth in Russia. Sales were up almost 125% over 2005 with revenue per job and the number of jobs completed increasing by 104% and 9% respectively. The dramatic increase in revenue per job is the result of the considerable investment in fracturing equipment we have undertaken in recent years. This equipment has been well utilized on a number of key service contracts signed with senior oil producers. We have worked hard to improve our operating margins, and this year we began to see the impact of these efforts. 2006 also saw us undertake a significant equipment build program, putting $25 million of new equipment in the field. With this investment and our continual focus on providing innovative solutions to our customers, we have begun to emerge as one of the leading providers of pressure pumping services in Russia.

Our Future

With our investment in Liberty, Trican now has operations in the three major pressure pumping markets in the world. This is an exciting development that will provide new opportunities for our Company. Liberty has a fleet of brand new equipment and an experienced management team that give Trican a solid platform from which to build a presence in the United States.

Industry watchers have recently become more constructive of demand for services in Canada in 2007. Higher than normal natural gas inventory levels and the potential for a warm winter had some predicting a marked decrease in activity levels in Canada in 2007. Although not yet complete, it looks as if the winter of 2006-2007 will be colder than last year and more in-line with a typical winter. Activity thus far in the year has been good; however, we expect that activity will be sluggish during the mid-part of the year. We expect to see a build in demand in the later part of 2007, as we work through the fall and back into the winter drilling season.

Demand for services in Russia continues to look strong. We recently announced a three-year strategic contract with a major Russian producer for the provision of fracturing services in the Khanty-Mansiyk region of western Siberia. The contract is expected to generate revenue of approximately $US 210 to $US 250 million over the three years and was the product of the high level of operational and technical performance of our Russian operations. We are expanding the services we offer to our customers in Russia and we continue to look for new areas in which to offer these services.

Trican's emphasis on customer service and technological innovations and our proven operational track record have produced solid returns for our shareholders over the last ten years. With our market leading presence in Canada and Russia, and a new growth platform in the U.S., Trican's next ten years promise to be as exciting and rewarding as our first decade has been. We appreciate your ongoing support and I look forward to reporting on our continued success next year.

On behalf of the Board of Directors,

MURRAY L. COBBE
PRESIDENT AND CHIEF EXECUTIVE OFFICER
FEBRUARY 27, 2007

Overview

Trican provides a comprehensive array of specialized products, equipment and services that are used during the entire life cycle of an oil or gas well. The Company's pressure pumping operations are centered principally in western Canada, with growing operations in Russia and a new presence in the United States, which we established in early 2007.

Canadian Operations

In Canada, the Company operates two divisions catering to the major sectors of the oil field pressure pumping services industry. The Well Service Division includes: cementing; fracturing, including coalbed methane (CBM) services; deep coiled tubing and nitrogen services. The Production Services Division includes: acidizing; intermediate depth coiled tubing and industrial services. These services are offered to customers from operation bases located across the entire Western Canadian Sedimentary Basin (WCSB). A description of these services can be found at the end of the operations overview.

Services offered through Trican's Well Service Division are heavily used during the drilling and completion of oil and gas wells and demand for these services is proportional to the number of wells drilled.

2006 was a challenging year with demand for services falling significantly during the year. Activity in the first quarter established new highs as the year started off strongly aided by high demand for service and an extended winter drilling season. However, natural gas price weakness undermined activity as the year progressed and our customers re-examined their gas directed development programs. The average Nymex natural gas price for the month of December 2005 was $US 13.43 per Mmbtu; however, by the end of the year the average price in December had fallen by 47% to $US 7.16 per Mmbtu. Oil prices continued to perform well relative to last year as the average spot price of West Texas Intermediate, an international benchmark for crude oil, increased 17% in 2006 to $US 66.05 per barrel from $US 56.44 in 2005. However as with natural gas prices, oil prices fell later in the year causing uncertainty among producers and undermining demand for services.

The number of wells drilled in the WCSB fell 6%, from the record 24,899[1] wells established in 2005 to 23,441[1] wells in 2006. Natural gas wells represented approximately 68% of the total, compared with 72% in 2005. Shallow gas-oriented drilling, including CBM activity, weakened in 2006 as producers focused their spending on deeper plays with more robust economics. In 2006, approximately 2,500[1] CBM wells were drilled compared to approximately 3,000[1] in 2005, which represented a 17% decrease year-over-year.

Despite a 6% decrease in activity during the year, Canadian revenue was up 18% or just over $100 million. This increase was the result of relatively strong demand for the Company's fracturing services in the deeper, more technically challenging areas of the basin which were not as affected by the slow down in drilling until later in the year. The additional investment in equipment capacity, in particular, nitrogen and fracturing capacity, made in recent years increased the Company's service capabilities in the deeper regions of the WCSB and contributed to this performance. The Company benefited from 11 additional nitrogen units, three new conventional fracturing crews, two deep coiled tubing units and one new cement unit which were added relative to 2005.

Since going public in December 1996, Trican has invested almost $444 million in new equipment and facilities in Canada to meet the increasing demands of its customers. The majority of this investment has been directed to expanding equipment capacity to better service the deep areas of the basin where margins are highest. During 2006, Trican's Canadian capital budget was approximately $140 million and was directed to new equipment and facilities, with a particular emphasis on expanding our fracturing and nitrogen capacity.

With the significant investment program undertaken in recent years, Trican has become the preeminent pressure pumping company in Canada, operating one of the largest and most technologically advanced fleets. The Company has equipment situated across the entire basin; however, with a recent emphasis on building equipment to service the deeper more technical areas of the WCSB, Trican now believes it is the leading service provider to this growing market segment.

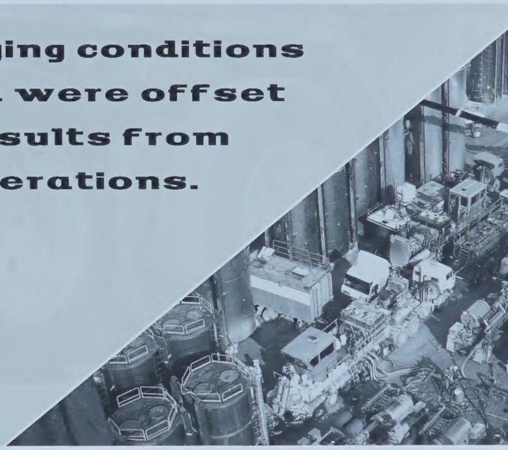
1 Petroleum Services Association of Canada

Number of Units at End of Year (Canada)

	2004	2005	2006[C]	2007[D]
Fracturing Crews[A]				
Conventional	12	15	18	18
CBM[B]	2	4	4	4
Cement Pumpers	45	50	57	57
Deep Coiled Tubing Units	12	16	22	22
Intermediate Coiled Tubing Units	11	8	8	8
Nitrogen Pumpers	16	22	32	32
Acidizing Units	10	12	13	13

Notes:
A a fracturing crew is made up of several pieces of specialized equipment
B comprises principally high-rate nitrogen pumping units. These units pump at higher rates than the pumpers used in our other areas of business
C operational or in the final stages of construction
D capital program for the year has been deferred until after the first quarter

Challenging conditions in Canada were offset by record results from our Russian operations.



Russian Operations

Trican began operations in Russia in late 2002 through an investment in R-Can Services Limited, a Cypriot company that has a wholly owned subsidiary, Newco Well Services LLC (Newco) operating in Russia. Newco commenced operations in Russia in mid-2000, and provides cementing and fracturing services to a variety of customers in the Tyumen region of western Siberia. Newco's operations are centered in Raduzhny however in recent years, the operational reach of the Company has been expanded with new bases in Nyagan and Nefteyugansk. The Company also continues to maintain a fleet of equipment in the Kyzylorda region of Kazakhstan to service customers in this area.

Late in 2005, a new one-year contract was awarded to Newco by Yuganskneftegaz, a subsidiary of Rosneft, for the provision of hydraulic fracturing services in the Priobskoye oilfield in the Khanty-Mansiysk region of western Siberia. Work completed under this contract, which was serviced out of the Company's Nefteyugansk base, significantly increased fracturing revenue and revenue per job in 2006. As a result of Newco's high level of operational and technical performance under this contract, early in 2007, the Company was awarded a new three-year contract to perform fracturing treatments. This contract, which is estimated to be worth approximately $US 210 to $US 250 million in revenue over its life, is an important milestone for the Company and further establishes a strategic relationship on which to base future growth.

In 2006, Russian operations established several new financial and operational annual performance records. Newco completed 1,552 jobs, an increase of over 9% relative to the prior year, establishing a new high for activity and contributing to establishing a new record for annual revenue. Revenue for the year topped $192 million,

a 125% increase over the previous year's high as a result of increased activity and a significant increase in revenue per job. Revenue per job more than doubled last year's amount rising to $123,611 as a direct result of work performed in the Nefteyugansk area. 2006 also saw Newco achieve another operational milestone when it successfully completed the largest fracturing treatment ever undertaken by Trican, and what we believe was the largest treatment ever executed in Russia. In late September, a Nefteyugansk fracturing crew completed a 536-tonne hydraulic fracturing treatment. This treatment took more than six hours to pump and was flawlessly completed as planned.

A key factor in the Company's record performance and growth is the strength of our Russian personnel. By attracting high quality personnel and continually investing in training programs for our staff, Newco has been able draw on our Russian employees to staff key management positions to support the growth of the Company. With these key individuals in place, the Company is well positioned to build strong working relationships with our Russian customers. We believe this philosophy differentiates Newco from other service providers and has helped make us one of the leading pressure pumping companies operating in Russia.

Demand for fracturing services has grown sharply over recent years and Newco has expanded its equipment fleet to meet this growing need. In 2006, the Board of Directors approved increases in the capital budget for Trican's Russian operations bringing the total budget to $25 million. Trican used this additional investment to expand and enhance its fracturing services capabilities. During the year, two new crews were added, the pumping capacity of the existing fleet was upgraded and investments were made to expand logistical support for the Company's fracturing operations.

Russia, which by the fourth quarter of 2006 represented almost 30% of Trican's Well Service Division revenue, is an exciting growth opportunity for the Company.

2007 is expected to see the continued growth in the Company's service capabilities, with the addition of three new fracturing crews and three new cement pumpers. The Company also intends to broaden its service offerings to its customers by adding three deep coiled tubing units and nitrogen pumpers.

At the end of 2006, since inception, Trican has invested over $58 million in new equipment and facilities to support its growing Russian operations.

Number of Units at End of Year (Russia)

	2004	2005	2006	2007[A]
Fracturing Crews – Conventional	4	6	8	11
Cement Pumpers	3	3	3	6
Deep Coiled Tubing	—	—	—	3
Nitrogen Pumpers	—	—	—	3

Note:
A expected equipment capacity at the end of the year based upon approved budgets

United States Operations

On February 2, 2007, Trican announced an agreement to acquire Liberty Pressure Pumping LP (Liberty), a provider of pressure pumping services in Texas. Headquartered in Denton, Texas, Liberty provides fracturing stimulation services principally in the active Barnett Shale play of north-central Texas, where it currently operates four crews of fracturing equipment. Two additional crews are currently under construction. The fifth crew should be deployed by the end of the first quarter of 2007 and the sixth crew during the third quarter. When fully operational, these six crews will add an additional 130,000 hp to Trican's worldwide fracturing fleet. In addition, Liberty has contracts in place for the fabrication of three further fracturing crews with delivery anticipated in the third and fourth quarters of 2007. These three crews will add another 56,000 hp to the fracturing fleet.

Work Environment

Trican is committed to maintaining a safe working environment for its employees, customers and the public at large. To this end, the Company has implemented safety and training programs that are designed to improve its performance and continue to raise an awareness of the importance of safety in operations. Our people work in challenging conditions under potentially dangerous circumstances, and working safely is a key objective for our Company. Having a well trained work force has been a critical element of our success and will be a key contributor to our future success. To support these objectives, the Company invested over 74,000 man hours training employees in both technical and safety related courses during 2006.

Technology

In 2006, Trican continued its philosophy of partnering with inventors, suppliers and customers on developing new technologies focused on problems in areas in which we operate. This partnered approach allows us to take innovative ideas from individuals and small companies, provide capital to finish development, and then provide commercial opportunities through our extensive customer base. We often involve our clients in these projects, as they have specific well problems on which technologies may be applied and can provide wells for field testing. This approach, which Trican has been using since our inception, allows us to participate in many innovative technologies without maintaining a large number of research people on staff. Partnerships also allow us to leverage our research budget, focus our research efforts on customers' problems and create long-lasting relationships for future development. Some of our partnered research projects that we finalized in 2006 were:

Coiled Tubing Lateral Jetting

Trican has entered into an agreement with a company to develop a tool that jets laterally up to 100 meters into a formation from a wellbore. The tool is run on coiled tubing. Trican has assisted in development of this unique tool that will be employed in both Canada and Russia.

Reverse Circulating Drilling

Trican continues to work with Press Sol to develop a reverse circulation drilling system using coiled tubing. In 2006, Nabors Canada joined this partnership. When complete, this technology will allow Trican to drill into a formation without creating any damage to the rock. The result should be a well that produces better rates than those drilled with conventional technology.

Gas Separator

In 2006, Trican successfully completed the development of a patent pending down hole gas separator. This tool, which is run on the bottom of coiled tubing, separates nitrogen from a nitrogen and liquid stream that is pumped into a well.

Separating the nitrogen greatly increases the efficiency of our jetting tools and drilling motors. It is a patented technology that gives Trican a competitive advantage.

Lightweight Proppant

In 2006 Trican signed a Canadian licensing agreement to use a proppant that is only slightly heavier than water. This proppant will give our customers advantages in fracturing coalbed methane, shale gas and some tight gas reservoirs.

Research and Development

In 2005, Trican opened a new Research and Development Center in Calgary. This state of the art facility allows us to develop a number of products within the Company. Some research projects that we completed in 2006 were:

EcoClean

In response to a customer's need, Trican developed an environmentally friendly fracturing fluid that meets government regulations associated with fracturing shallow gas, oil and coalbed methane wells.

Moveable Fracturing Cups

Trican's patent pending moveable fracturing cup technology allows us to fracture large intervals in a well using coiled tubing. This technology was fully implemented in 2006 and has been widely accepted in shallow gas and coalbed methane fracturing applications.

Floating Sand

This patent pending fluid technology is designed to "float" sand or other proppants. This technology will be commercially available in 2007 and has applications in fracturing shale gas, tight gas and coalbed methane wells.

Quantum Fracturing Fluid

In 2006, Trican filed a patent on our revolutionary low polymer fracturing fluid. This fluid has given the Company significant advantages in Russia and in tight gas fracturing in North America. This product leaves wells cleaner than other fracturing fluids, which results in more oil and gas production per well.

Trinet

In 2006, Trican completed the implementation of our Trinet system. This software allows all data on a job to flow to a client electronically. The client is now able to receive post treatment data and electronic invoices in a much shorter time period than in the past. The collection of this data also permits us to create reports for our clients that add value to our service by allowing them to make better decisions regarding their treatments.

Description Of Services

Well Service Division

Coiled Tubing Services: Coiled tubing is jointless steel pipe manufactured in lengths of thousands of metres and coiled on a large reel. The tubing is run into oil or gas wells to create a circulating system, and is then used to fracture the well, or to introduce acids, nitrogen or other products into the well for purposes such as removing unwanted fluids or solids. The use of coiled tubing allows the well to be worked on while it is still flowing oil and gas.

Fracturing Services: Fracturing is a well stimulation process performed to improve production. Fluid is pumped at sufficiently high pressure to fracture the formation. A proppant is added to the fluid and injected into the fracture to prop it open, permitting hydrocarbons to flow more freely into the wellbore.

Cementing Services: Cementing is most commonly used when drilling a well but may also be required during the producing life of a well. Primary cementing treatments are employed during the drilling phase of an oil or gas well to support the production casing within the wellbore and to isolate producing zones. Remedial cementing services are used to repair casing or eliminate communication leaks between producing zones during a well's operating life.

Nitrogen Services: Nitrogen is an inert gas that is pumped into the wellbore to improve the safe recovery of introduced or produced fluid while reducing potential formation damage. Trican's nitrogen services are applied in conjunction with its coiled tubing, acidizing and fracturing services.

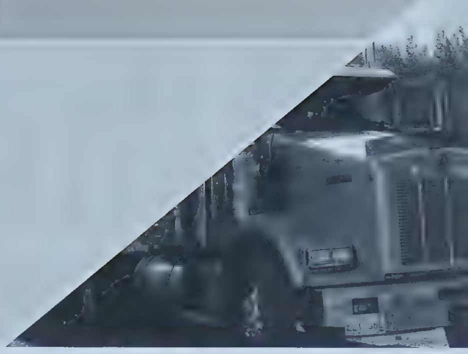
Coalbed Methane Fracturing Services: CBM fracturing involves pumping nitrogen gas into underground coal zones at very high rates. This nitrogen gas creates fractures in the coal which allows natural gas to flow back into the well. Trican uses specialized high-rate pumpers to pump the nitrogen into the coal formations.

Production Services Division

Coiled Tubing Services: As described above, however the coiled tubing services offered by this division focus on wells less than 1,500 metres in depth.

Acidizing Services: Acidizing is a well stimulation process that involves pumping large volumes of specially formulated chemical blends into producing oil or gas formations to clean out unwanted materials or to dissolve portions of the producing formation in order to enhance the well's production rate.

Industrial Services: Offers engineered solutions and services to oil sands, heavy oil, refinery, petrochemical, gas process, power generation, mining and pipeline facilities. Specialty services include mechanical and chemical descaling and passivating of process facilities, pipelines and storage tanks. Engineered services also include nitrogen displacement of pipelines and process facilities, nitrogen cooling and warming of process reactors, and pressure testing and leak detection of pipelines and process facilities.



Increased equipment capacity in Canada and Russia drives record revenue in 2006.

The following discussion and analysis of the financial condition and results of operations of the Company has been prepared taking into consideration information available to February 27, 2007 and should be read in conjunction with the consolidated financial statements and accompanying notes contained in this annual report. The consolidated financial statements have been prepared in accordance with Canadian generally accepted accounting principles (GAAP).

Overview

Headquartered in Calgary, Alberta, Trican's principal operations are in Canada; however, the Company also has growing operations in Russia. The Canadian operations are conducted through bases in British Columbia, Alberta and Saskatchewan, and provide services to customers across the entire Western Canadian Sedimentary Basin (WCSB). Trican conducts its Russian operations through bases in the Tyumen region of western Siberia in the towns of Raduzhny, Nyagan, and Nefteyugansk and in Kyzylorda, Kazakhstan. Trican provides a comprehensive array of specialized products, equipment and services used during the exploration and development of oil and gas reserves.

Financial Review (**$ millions, except per share amounts**)

		Three months ended December 31,			Years ended December 31,		
		2006	2005	2004	**2006**	2005	2004
		(unaudited)	(unaudited)	(unaudited)			
Revenue		**$ 208.3**	$ 207.5	$ 126.7	**$ 847.5**	$ 640.9	$ 408.3
Operating income *		**61.3**	83.0	41.7	**284.2**	225.2	119.0
Net income from continuing operations		**35.3**	50.5	24.8	**172.6**	131.7	65.4
Net income per share from continuing operations							
	(basic)	**$ 0.31**	$ 0.45	$ 0.23	**$ 1.50**	$ 1.17	$ 0.60
	(diluted)	**$ 0.30**	$ 0.42	$ 0.22	**$ 1.44**	$ 1.12	$ 0.57
Net income before stock-based compensation expense *		**$ 37.9**	$ 52.3	$ 25.5	**$ 183.6**	$ 136.9	$ 61.0
Net income before stock-based compensation expense per share**	(basic)	**$ 0.33**	$ 0.46	$ 0.23	**$ 1.60**	$ 1.21	$ 0.56
	(diluted)	**$ 0.32**	$ 0.44	$ 0.22	**$ 1.55**	$ 1.16	$ 0.53
Net income		**35.3**	50.5	24.8	**172.6**	131.7	59.0
Net income per share**	(basic)	**$ 0.31**	$ 0.45	$ 0.23	**$ 1.50**	$ 1.17	$ 0.54
	(diluted)	**$ 0.30**	$ 0.42	$ 0.22	**$ 1.44**	$ 1.12	$ 0.52
Funds provided by continuing operations*		**63.5**	88.9	44.3	**226.5**	202.2	101.3

* Trican makes reference to operating income, net income before stock-based compensation expense and funds from operations. These are measures that are not recognized under Canadian generally accepted accounting principles (GAAP). Management believes that, in addition to net income, operating income, net income before stock-based compensation expense, net income before stock-based compensation expense per share and funds from operations are useful supplemental measures. Operating income provides investors with an indication of earnings before depreciation, taxes and interest. Net income before stock-based compensation expense provides investors with information on net income excluding the non-cash affect of stock-based compensation expense. Funds from operations provide investors with an indication of cash available for capital commitments, debt repayments and other expenditures. Investors should be cautioned that operating income, net income before stock-based compensation expense, and funds from operations should not be construed as an alternative to net income, net income per share or net cash provided by operations determined in accordance with GAAP as an indicator of Trican's performance. Trican's method of calculating operating income, net income before stock-based compensation expense and funds from operations may differ from that of other companies and accordingly may not be comparable to measures used by other companies.

** Comparative amounts have been restated to reflect the effect of the May 2006 two-for-one stock split.

Fourth Quarter Highlights

Results for the quarter ended December 31, 2006 reflect the impact of increased equipment capacity and strong demand for services for our Russian operations and lower demand for our services in Canada. Russian operations set new quarterly record highs for total revenue and revenue per job, as a result of expanded equipment capacity and operational reach. Activity in Canada was hampered by producer concerns with lower natural gas commodity prices, which reduced industry activity and demand for our services.

Activity in the Western Canadian Sedimentary Basin (WCSB), as measured by the number of active drilling rigs, decreased 25% for the quarter relative to the same period in 2005. Gas directed drilling in the shallow to intermediate depth areas of the basin was hardest hit, with lower demand for shallow cementing, conventional and coalbed methane fracturing services. As a result of this significant drop in activity levels, revenue in Canada fell 18% relative to the comparable prior quarter.

Trican's consolidated revenue increased marginally compared to the same period in 2005 as the contribution from our Russian operations offset the decline in sales in Canada. Net income for the period of $35.3 million decreased 30% over the $50.5 million recorded in the fourth quarter of 2005. Similarly, the Company recorded net income per share, excluding the impact of stock-based compensation, of $0.33 ($0.32 diluted) versus $0.46 ($0.44 diluted) for the comparable period in 2005. Funds from operations of $63.5 million for the quarter decreased $25.4 million or 29% over the comparable period in 2005 primarily as a result of lower earnings.

Quarterly Comparative Income Statements ($ thousands, unaudited)

Three months ended December 31,	2006	% of Revenue	2005	% of Revenue	Quarter-Over-Quarter Change	% Change
Revenue	**208,329**	**100.0%**	207,502	100.0%	827	0%
Expenses						
Materials and operating	**137,870**	**66.2%**	118,673	57.2%	19,197	16%
General and administrative	**9,147**	**4.4%**	5,828	2.8%	3,319	57%
Operating income*	**61,312**	**29.4%**	83,001	40.0%	(21,689)	(26%)
Interest expense	**71**	**0.0%**	356	0.2%	(285)	(80%)
Depreciation and amortization	**9,848**	**4.7%**	6,775	3.3%	3,073	45%
Foreign exchange (gain)/loss	**(853)**	**(0.4%)**	460	0.2%	(1,313)	(285%)
Other income	**(1,079)**	**(0.5%)**	(487)	(0.2%)	(592)	(122%)
Income before income taxes and non-controlling interest	**53,325**	**25.6%**	75,897	36.6%	(22,572)	(30%)
Provision for income taxes	**17,758**	**8.5%**	25,322	12.2%	(7,564)	(30%)
Income before non-controlling interest	**35,567**	**17.1%**	50,575	24.4%	(15,008)	(30%)
Non-controlling interest	**240**	**0.1%**	112	0.1%	128	114%
Net Income	**35,327**	**17.0%**	50,463	24.3%	(15,136)	(30%)

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

The Company operates three divisions – Well Service, Production Services and Corporate. The Well Service Division provides deep coiled tubing; nitrogen; fracturing, including coalbed methane fracturing; and cementing services. The Production Services Division provides acidizing, intermediate depth coiled tubing, and industrial services.

Well Service Division – Overview ($ thousands, unaudited)

Three months ended December 31,	2006	% of Revenue	2005	% of Revenue	Quarter-Over-Quarter Change
Revenue	**196,938**		196,766		0%
Expenses					
Materials and operating	**128,646**	**65.3%**	110,167	56.0%	17%
General and administrative	**525**	**0.3%**	287	0.1%	83%
Total expenses	**129,171**	**65.6%**	110,454	56.1%	
Operating income*	**67,767**	**34.4%**	86,312	43.9%	(21%)
Number of jobs	**6,290**		8,032		(22%)
Revenue per job	**31,562**		24,630		28%

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

The Well Service Division's performance for the quarter reflects continued strong demand for services in Russia, offset by lower activity in Canada. Revenue for the quarter was the third highest in the Company's history and improved slightly over the comparable 2005 amount. The geographic mix for the quarter reflects the growth of Russian operations and the decline in activity in Canada. Russian operations accounted for 29% of revenue for the quarter, a strong increase from 13% last year. Correspondingly, Canadian operations fell to 71% of total revenue for the quarter from 87% last year. Revenue per job was the second highest on record for a quarter, increasing 28% over last year. Significant growth in conventional fracturing revenue as a proportion of total Well Service revenue, larger overall job size in Russia and continued focus on operations in the deeper, more technically challenging areas of the Canadian basin were contributing factors in elevating revenue per job.

The total number of jobs completed in the quarter fell 22% relative to the comparable prior period as a 5% increase in the number of jobs completed in Russia was unable to overcome a 23% decline in Canadian activity. The Well Service Division continues to be the Company's largest division, making up 95% of total revenue for the quarter, consistent with the same period in 2005. Within this Division, fracturing services, which includes CBM fracturing, increased to 67% of divisional revenue versus 57% in the fourth quarter of 2005. Cementing made up 22% versus 30% last year, while coiled tubing and nitrogen services combined for the remaining 11%.

Well Service - Canadian Operations ($ thousands, unaudited)

Three months ended December 31,	2006	% of Revenue	2005	% of Revenue	Quarter-Over-Quarter Change
Revenue	**139,035**		170,203		(18%)
Expenses					
Materials and operating	**86,453**	**62.2%**	89,976	52.9%	(4%)
General and administrative	**375**	**0.3%**	265	0.2%	42%
Total expenses	**86,828**	**62.5%**	90,241	53.0%	
Operating income*	**52,207**	**37.5%**	79,962	47.0%	(35%)
Number of jobs	**5,883**		7,644		(23%)
Revenue per job	**23,896**		22,384		7%

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

Results from Canadian operations for the quarter reflect the impact of a 25% reduction in activity which resulted in an 18% decrease in revenue compared with the same period in 2005. Job count fell by 23% to 5,883 jobs with all service lines reflecting the impact of lower demand for services. Concern over lower natural gas prices reduced activity in all areas of operations but had a greater impact on activity in the shallow and intermediate depth areas of the basin during the quarter.

CBM activity suffered from reduced demand as well as increased competition from new service providers. To counter this, the Company recently secured a long-term arrangement that management expects will result in three of its four CBM fracturing crews being fully utilized during the first quarter 2007, and half of the crews fully utilized during the remainder of the year.

Revenue per job increased 7% quarter-over-quarter as a result of fracturing contributing a larger proportion of total revenue, a February 2006 price book increase and continued growth in the proportion of services performed in the deeper areas of the basin. The Company continued to bolster its operating capabilities in this segment of the basin with the addition of three new bases compared to last year. The Company also added three additional fracturing crews, two new deep coil tubing units, 11 nitrogen units and one additional cementing unit operating relative to the comparable prior quarter.

Materials and operating expense for the quarter decreased $3.5 million; however, they increased as a percentage of revenue compared with the same period in 2005. Although demand for services fell in the fourth quarter, the Company was not able to adjust its fixed cost structure in advance of the winter drilling season resulting in a loss of operational leverage. Higher salary and benefit costs resulted from carrying an elevated staffing level through the fourth quarter in anticipation of a busy first quarter of 2007. General and administrative costs remained relatively unchanged on a quarter-over-quarter basis.

Well Service – Russian Operations ($ thousands, unaudited)

Three months ended December 31,	2006	% of Revenue	2005	% of Revenue	Quarter-Over-Quarter Change
Revenue	**57,903**		26,563		118%
Expenses					
Materials and operating	**42,193**	**72.9%**	20,191	76.0%	109%
General and administrative	**150**	**0.3%**	22	0.1%	582%
Total expenses	**42,343**	**73.1%**	20,213	76.1%	
Operating income*	**15,560**	**26.9%**	6,350	23.9%	145%
Number of jobs	**407**		388		5%
Revenue per job	**142,368**		68,889		107%

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

Revenue for the quarter from Russian operations, which comprises fracturing and cementing services, increased 118% to a record $57.9 million compared to the same period in 2005. Revenue improved as a result of strong demand for services, expanded equipment capacity and a new operations base in Nefteyugansk established late in 2005. Trican built this base as a result of securing a major contract in the area. Operating capacity increased significantly with the addition of two fracturing crews since the fourth quarter of 2005, bringing the total operating capacity to eight fracturing crews. This additional equipment capacity was added to support higher levels of demand for services, a broadening customer base and an expanded operational reach. As a result of overall larger job sizes and improved contract pricing, revenue per job of $142,368 set another new record, more than doubling the comparable prior quarter's amount of $68,889. The number of jobs completed increased by 5% to 407 jobs, the second highest for a quarter in the Company's history. Fracturing represented 97% of total Russian revenues and cementing accounted for 3% for the quarter, compared to 96% and 4% respectively for the same period last year.

Materials and operating expense for the quarter decreased as a percentage of revenue to 72.9%, compared to 76.0% for the same period in 2005. The decrease was a result of improved pricing, a continued focus on achieving efficiency gains and increased operating leverage on our fixed cost structure. General and administrative expenses remained relatively unchanged on a quarter-over-quarter basis.

Fourth quarter operating margins were approximately 2% lower as a percentage of revenue from the third quarter of 2006, due in part to increased staffing levels necessitated by the planned addition of fracturing and cement equipment. The ninth fracturing crew and fourth cementing unit, approved under the 2007 business plan, were rushed into service early to meet customer demands and the upcoming busy winter drilling season. Also reducing margins compared with the third quarter were higher repairs and maintenance costs, as equipment was prepared for the demanding winter season.

Production Services Division ($ thousands, unaudited)

Three months ended December 31,	2006	% of Revenue	2005	% of Revenue	Quarter-Over-Quarter Change
Revenue	**11,391**		10,736		6%
Expenses					
Materials and operating	**8,862**	**77.8%**	7,999	74.5%	11%
General and administrative	**52**	**0.5%**	46	0.4%	13%
Total expenses	**8,914**	**78.3%**	8,045	74.9%	
Operating income*	**2,477**	**21.7%**	2,691	25.1%	(8%)
Number of jobs	**798**		605		32%
Revenue per job	**10,598**		10,636		0%
Number of hours	**2,159**		3,055		(29%)

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

The Production Services Division includes intermediate depth coiled tubing services, acidizing services and industrial services.

During the quarter, revenue from the Production Services Division increased 6% over the same period of 2005, primarily as a result of a significant increase in industrial service work, offset by lower revenue from intermediate depth coiled tubing. The number of jobs completed increased by 32% as a result of completing larger industrial service jobs and having one additional acid unit quarter-over-quarter. Revenue per job remained relatively unchanged while the number of hours for the intermediate depth coiled tubing service line decreased 29% versus the fourth quarter of 2005.

Materials and operating expenses increased as a percentage of revenue to 77.8% compared to 74.5% for the same period of 2005, as a result of a decrease in overall activity including a marked decline in intermediate depth coiled tubing services. Administrative expenses remained relatively unchanged on a quarter-over-quarter basis.

Corporate Division ($ thousands, unaudited)

Three months ended December 31,	2006	% of Total Revenue	2005	% of Total Revenue	Quarter-Over-Quarter Change
Expenses					
Materials and operating	**363**	**0.2%**	506	0.2%	(28%)
General and administrative	**8,569**	**4.1%**	5,496	2.6%	56%
Total expenses	**8,932**	**4.3%**	6,002	2.9%	
Operating loss*	**(8,932)**		(6,002)		49%

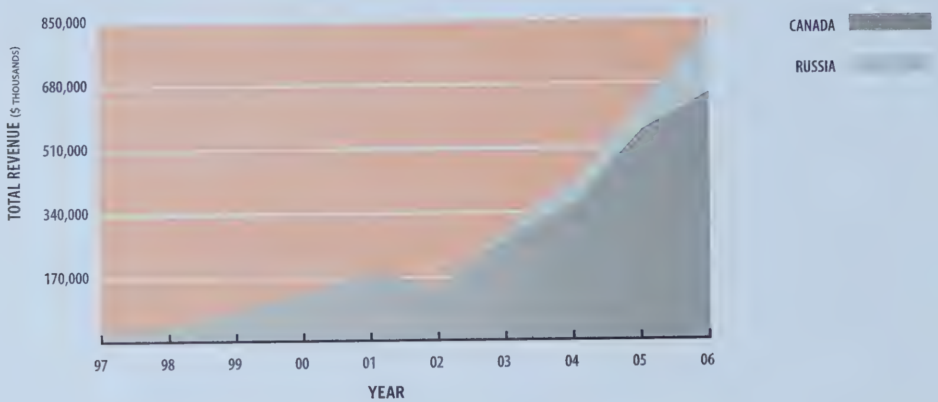
* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

Corporate Division expenses consist mainly of general and administrative expenses. Overall, expenses increased $2.9 million on a quarter-over-quarter basis and increased as a percentage of revenue. General and administrative costs increased $3.1 million due to higher stock-based compensation and staffing costs, and an increase to the provision for doubtful accounts partially offset by lower deferred share unit costs. Higher stock-based compensation and staffing costs accounted for $1.6 million of the increase while an increase in the provision for doubtful accounts contributed an additional $1.3 million. Offsetting this was a reduction in deferred share unit costs of $0.6 million as a result of a decrease in the Company's share price quarter-over-quarter. The remaining increase of $0.8 million was a result of higher legal and general and administrative expenses.

Other Expenses and Income

Interest expense decreased to $0.1 million as a result of repayment of debt. Depreciation and amortization increased by $3.1 million for the quarter relative to the same period in 2005 as a result of the continued investment in equipment and operations facilities. Foreign exchange gains increased quarter-over-quarter by $1.3 million as a result of US and Ruble currency fluctuations relative to the Canadian dollar. Other income increased $0.6 million as a result of interest income earned on larger cash balances.

Geographic Revenue Breakdown



Highlights For 2006

Trican's financial and operational performance for 2006 reflects strong demand for services in Canada for the first three quarters of the year coupled with record levels of activity from our Russian operations. The Company recorded revenues of $847.5 million in the year, surpassing the previous year's record of $640.9 million by over 32%. Net income set another Company record at $172.6 million increasing 31% from the previous year's record of $131.7 million. In line with higher net income, diluted earnings per share rose 29% to $1.44 from $1.12 in 2005. Funds from operations of $226.5 million for the year established another Company record and represents an increase of $24.3 million from the 2005 total of $202.2 million.

During the first quarter, a new record for the number of wells drilled in a quarter was established in the WCSB as strong commodity prices and an extended winter drilling season supported high levels of activity in the basin. However, unseasonably warm temperatures in much of North America led to a significant build up of natural gas inventory which precipitated a decrease in the price for natural gas resulting in reduced drilling activity over the remainder of the year. The average Nymex natural gas price for the month of December 2005 was $US 13.43 per Mmbtu; however, by the end of the year the average price in December had fallen by 47% to $US 7.16 per Mmbtu. Oil prices continued to perform well relative to last year as the average spot price of West Texas Intermediate, an international benchmark for crude oil, increased 17% in 2006 to $US 66.05 per barrel from $US 56.44 in 2005. However as with natural gas prices, oil prices fell later in the year causing uncertainty among producers and undermining demand for services.

1 Petroleum Services Association of Canada

Despite a year-over-year 6% decrease in drilling activity for the year, revenue from the Company's Canadian operations increased over 18% as a result of additional equipment capacity and the Company's strategic operational focus on the deeper, more technically challenging areas of the WCSB. The number of wells drilled fell 6% to 23,441[1] in 2006 versus 24,899[1] in 2005 and 22,729[1] in 2004. Activity levels were particularly hard hit in the shallow and intermediate depth areas as a result of producer's concerns over natural gas commodity prices. This led customers to reduce spending on marginal gas plays impacting shallow gas and coalbed methane exploitation programs. However, Trican's revenue in the northern and deeper areas of the basin increased 31% compared with last year, reflecting the Company's significant investment and strong operating presence in these markets. Work in these areas was less affected by short term commodity price weakness, as these development programs are focused on longer lived reserves with longer delivery times to market. However, activity in this area fell late in the year as producers completed or scaled back development programs. The Canadian Well Service Division also benefited from additional equipment capacity, as 11 new nitrogen units, two conventional fracturing crews, two deep coiled tubing units and one new cementing unit were added relative to 2005.

Revenue from the Company's Russian operations benefited from a full year of operations from the Nefteyugansk base added late in 2005. Operating capacity was also expanded as Trican added two additional fracturing crews during the year, which drove record revenue of $191.8 million, a 125% increase over the prior year's $85.3 million. Operating margins also improved as a result of higher activity levels, management focusing on increasing operational efficiencies and improved pricing relative to the prior year.

Comparative Annual Income Statements ($ Thousands)

Years ended December 31,	2006	% of Revenue	2005	% of Revenue	Year-Over-Year Change	% Change	2004	% of Revenue	Year-Over-Year Change	% Change
Revenue	**847,472**	**100.0%**	640,898	100.0%	206,574	32%	408,269	100.0%	232,629	57%
Expenses										
Materials and operating	**531,875**	**62.8%**	393,347	61.4%	138,528	35%	275,357	67.4%	117,990	43%
General and administrative	**31,405**	**3.7%**	22,373	3.5%	9,032	40%	13,961	3.4%	8,412	60%
Operating income*	**284,192**	**33.5%**	225,178	35.1%	59,014	26%	118,951	29.1%	106,227	89%
Interest expense	**736**	**0.1%**	1,624	0.3%	(888)	(55%)	2,295	0.6%	(671)	(29%)
Depreciation and amortization	**34,798**	**4.1%**	24,335	3.8%	10,463	43%	17,102	4.2%	7,233	42%
Foreign exchange (gain) / loss	**(2,027)**	**(0.2%)**	(798)	(0.1%)	(1,229)	(154%)	102	0.0%	(900)	(882%)
Other income	**(2,321)**	**(0.3%)**	(838)	(0.1%)	(1,483)	(177%)	(285)	(0.1%)	(553)	194%
Income from continuing operations before income taxes and non-controlling interest	**253,006**	**29.9%**	200,855	31.3%	52,151	26%	99,737	24.4%	101,118	101%
Provision for income taxes	**79,633**	**9.4%**	68,762	10.7%	10,871	16%	32,974	8.1%	35,788	109%
Income from continuing operations before non-controlling interest	**173,373**	**20.5%**	132,093	20.6%	41,280	31%	66,763	16.4%	65,330	98%
Non-controlling interest	**810**	**0.1%**	363	0.1%	447	123%	1,408	0.3%	(1,045)	(74%)
Net income from continuing operations	**172,563**	**20.4%**	131,730	20.6%	40,833	31%	65,355	16.0%	66,375	102%
Net loss from discontinued operations	**—**	**0.0%**	—	0.0%	—	0%	6,313	0.0%	(6,313)	(100%)
Net income	**172,563**	**20.4%**	131,730	20.6%	40,833	31%	59,042	14.5%	72,688	123%

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

The Company operates three divisions – Well Service, Production Services and Corporate. The Well Service Division provide deep coiled tubing; nitrogen; fracturing, including coalbed methane fracturing; and cementing services. The Production Service Division provides acidizing, intermediate depth coiled tubing, and industrial services.

Well Service Division – Overview ($ thousands)

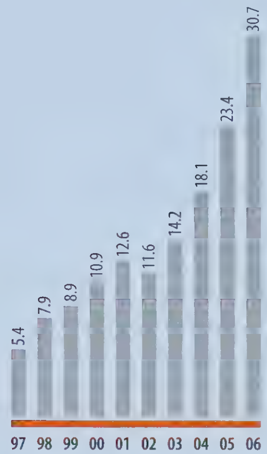
Yeas ended December 31,	2006	% of Revenue	2005	% of Revenue	Year-Over-Year Change	2004	% of Revenue	Year-Over-Year Change
Revenue	**797,517**		601,670		33%	375,759		60%
Expenses								
Materials and operating	**495,558**	**62.1%**	361,735	60.1%	37%	249,179	66.3%	45%
General and administrative	**1,493**	**0.2%**	1,105	0.2%	35%	774	0.2%	43%
Total expenses	**497,051**	**62.3%**	362,840	60.3%		249,953	66.5%	
Operating income*	**300,466**	**37.7%**	238,830	39.7%	26%	125,806	33.5%	90%
Number of jobs	**26,178**		25,890		1%	20,977		23%
Revenue per job	**30,679**		23,393		31%	18,135		29%

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

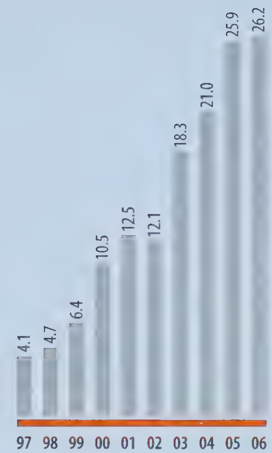
Annual Statistics, Well Service Division

Fracturing: 63.3%
Cementing: 25.5%
Coiled Tubing – Deep: 6.3%
Nitrogen: 4.9%

SALES MIX
WELL SERVICE
(%)



WELL SERVICE
REVENUE PER JOB
($ THOUSANDS)

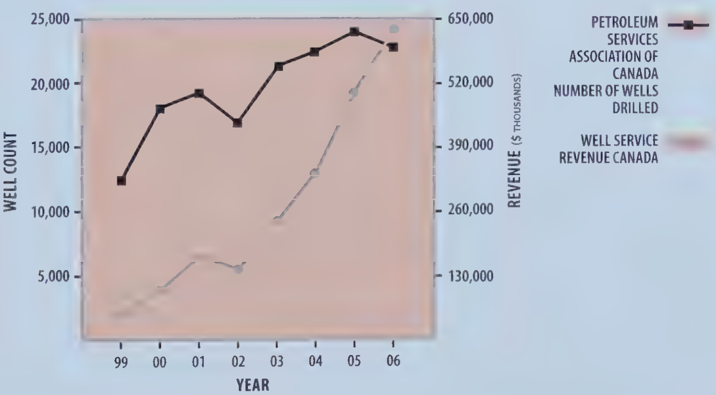


WELL SERVICE
NUMBER OF JOBS
(THOUSANDS)

The Well Service Division's record financial and operating performance for the year reflects the growth of Russia operations, strong initial demand for services in Canada and the impact of expanded equipment capacity in both markets. Revenue for the 12 months ended December 31, 2006 for the Well Service Division increased 33% compared to the same period in 2005. Geographically, Russian operations accounted for 24% of the revenue for the year, an increase from 14% last year, reflecting the increased scope of operations and strong demand for services. Correspondingly, Canadian revenue fell to 76% of total revenue from 86% last year as a result of a decline in activity in the second half of the year.

Revenues for each service line increased over 2005 levels with fracturing and cementing contributing the greatest increases. The growth in fracturing revenue was significant, making up 84% of the total increase in Well Service revenue on a year-over-year basis. This improvement was due to increased equipment capacity, coupled with larger, more technically challenging jobs which drove higher revenue per job. Additional equipment helped set a new Company record for total number of jobs completed, increasing to 26,178, versus the previous year's record of 25,890. Revenue per job increased 31% and established another Company record as a result of continued focus by Canadian operations on the deeper, more technically challenging areas of the market and increased fracturing job size in Russia.

Revenue from the Well Service Division accounted for 94% of total Company revenue and this was consistent with 2005. On a year-over-year basis, fracturing services revenue, which includes CBM fracturing, increased to 63% of total Well Service revenue compared to 56% for the corresponding period of 2005. Cementing services contributed 26% of the total sales of the Well Service Division, compared to 30% in 2005. Coiled tubing accounted for 6% and Nitrogen contributed 5% of total Well Service revenue versus 8% and 6% respectively in 2005.



Well Service – Canadian Operations ($ thousands)

Years ended December 31,	2006	% of Revenue	2005	% of Revenue	Year-Over-Year Change
Revenue	**605,725**		516,398		17%
Expenses					
Materials and operating	**355,903**	**58.8%**	296,842	57.5%	20%
General and administrative	**1,243**	**0.2%**	908	0.2%	37%
Total expenses	**357,146**	**59.0%**	297,750	57.7%	
Operating income*	**248,579**	**41.0%**	218,648	42.3%	14%
Number of jobs	**24,626**		24,472		1%
Revenue per job	**24,822**		21,240		17%

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

Revenue from Canadian operations increased 17% or $89.3 million to a record $605.7 million year-over-year despite a 6% drop in drilling activity levels. Canadian revenue per job also set a new record, surpassing the previous year's record by 17%. The growth in revenue per job was the result of growth in fracturing services, a February 2006 price book increase for this geographic segment and a greater proportion of work performed in the deeper areas of the basin. The number of jobs performed established another new record at 24,822 jobs, which edged out last year's record as a result of the addition of 11 nitrogen units, three conventional fracturing crews, two deep coiled tubing units and one cement unit relative to 2005.

Materials and operating expense for the year increased marginally as a percentage of revenue to 58.8% compared to 57.5% for the same period in 2005. Higher fixed salary and benefit costs represented the majority of the increase, as staff was hired to man new equipment arriving late in the year in anticipation of the winter drilling season. General and administrative costs remained relatively unchanged on a year-over-year basis.

Well Service – Russian Operations ($ thousands)

Years ended December 31,	2006	% of Revenue	2005	% of Revenue	Year-Over-Year Change
Revenue	**191,792**		85,272		125%
Expenses					
Materials and operating	**139,655**	**72.8%**	64,893	76.1%	115%
General and administrative	**250**	**0.1%**	197	0.2%	27%
Total expenses	**139,905**	**72.9%**	65,090	76.3%	
Operating income*	**51,887**	**27.1%**	20,182	23.7%	157%
Number of jobs	**1,552**		1,418		9%
Revenue per job	**123,611**		60,558		104%

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

Revenue from Russian operations increased over $106 million or 125% year-over-year to a record $191.8 million as a result of expanded operational reach and additional operating capacity. Russian job count of 1,552 was the highest on record for a year, increasing 9% over the level set the previous year due to additional equipment capacity, expanded area of operations and strong demand for services. Revenue per job also set a new record increasing 104% to $123,611, a direct result of larger more technical jobs, particularly in the Nefteyugansk area.

Materials and operating expenses for the year decreased as a percentage of revenue to 72.8% from the 76.1% recorded in the previous year. The decrease was a result of improved pricing, a continued focus on achieving efficiency gains and increased operating leverage. General and administrative expenses remained relatively unchanged year-over-year.

2005 VS. 2004 – Well Service Division

The Well Service Division's record financial and operating performance for 2005 reflected the continued strong demand for services and the impact of expanded equipment capacity both in Canada and Russia. Revenue for the 12 months ended December 31, 2005 for the Well Service Division increased 60% compared to the same period in 2004. Within this division, Canadian operations accounted for 86% of revenue for the year while Russian operations contributed 14%. In 2004, Canadian operations accounted for 88% of revenue for the year while Russian operations contributed 12% of total Well Service revenue.

All service line revenues increased over 2004 levels with fracturing and cementing contributing the greatest increases. The growth in fracturing revenue was significant, making up 67% of the total increase in Well Service revenue on a year-over-year basis due to increased equipment capacity in Canada and Russia, as well as the addition of CBM fracturing equipment in Canada. Additional equipment helped set a new Company record for total number of jobs completed, increasing 23% to 25,890, versus the previous year's record of 20,977. Revenue per job established another Company record and increased by 29% as a result of more work being performed in the deeper, more technically challenging areas of the WCSB and a significant increase in fracturing revenues as a proportion of total revenue. Fracturing revenue has the highest revenue per job of all service lines in the Company.

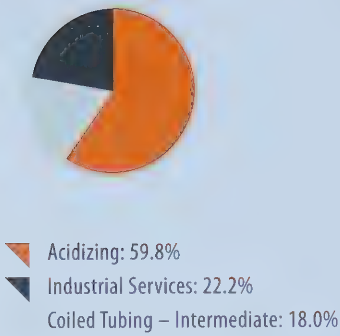
Revenue from the Well Service Division accounted for 94% of total Company revenue, compared to 92% of the 2004 total. On a year-over-year basis, fracturing and CBM fracturing revenue increased to 56% of total Well Service revenue compared to only 50% for the corresponding period of 2004. Cementing services contributed 30% of the total sales of the Well Service Division, compared to 35% in 2004. Coiled tubing accounted for 8% and Nitrogen contributed 6% of total Well Service revenue versus 7% and 8% respectively in 2004 of total Well Service revenue.

Production Services Division ($ thousands)

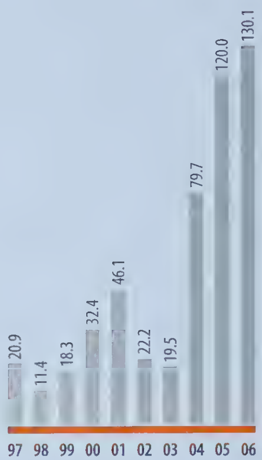
Years ended December 31,	2006	% of Revenue	2005	% of Revenue	Year-Over-Year Change	2004	% of Revenue	Year-Over-Year Change
Revenue	**49,955**		39,228		27%	32,510		21%
Expenses								
Materials and operating	**34,563**	**69.2%**	29,514	75.2%	17%	25,032	77.0%	18%
General and administrative	**385**	**0.8%**	169	0.4%	128%	146	0.4%	16%
Total expenses	**34,948**	**70.0%**	29,683	75.7%		25,178	77.4%	
Operating income*	**15,007**	**30.0%**	9,545	24.3%	57%	7,332	22.6%	30%
Number of jobs	**3,112**		2,211		41%	2,384		(7%)
Revenue per job	**10,960**		10,213		7%	9,669		6%
Number of hours	**11,947**		13,951		(14%)	16,623		(16%)

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

Annual Statistics



SALES MIX
PRODUCTION SERVICES
(%)



CAPITAL EXPENDITURES
($ MILLIONS)

Revenue from the Production Services Division increased by 27% on a year-over-year basis as a result of a significant increase in acidizing and industrial service revenue. The number of jobs completed increased by 41% as a result of more acidizing units in service and larger industrial service jobs completed relative to the prior year. Revenue per job increased by 7% as a result of a price book increase in February 2006 coupled with a greater proportion of industrial service jobs, which have higher average revenue per job. Demand for acidizing services benefited from higher oil prices relative to natural gas prices leading customers to focus on oil well stimulation while larger industrial service job sizes drove strong results for this segment.

Revenue from the Production Services Division accounted for 6% of the total revenue of the Company and this was consistent with the prior year. As in the prior year, acidizing services made the largest contribution to this Division's total revenue at 60%, followed by industrial service at 21%. Coiled tubing made up 19% of total divisional revenue for the year.

Materials and operating expense decreased as a percentage of revenue to 69.2% compared to 75.2% of revenue for the same period of 2005, as a result of greater operating leverage. General and administrative expenses remained relatively unchanged on a year-over-year basis.

2005 VS. 2004 – Production Services Division

Revenue from the Production Services Division increased by 21% on a year-over-year basis as a result of strong activity levels in the WCSB driving increases in acidizing and chemical sales as well as a significant increase in industrial service work. Although the number of jobs completed decreased by 7% as a result of an early spring break-up during the first quarter, combined with significant precipitation in southern Alberta during the second quarter, this decrease was offset by a 6% increase in average revenue per job. Average revenue per job benefited from an increased volume of industrial service work which carries higher average revenue per job. The number of hours for the intermediate depth coiled tubing service line on a year-over-year basis decreased 16% which was a direct result of the poor weather experienced in the first and second quarters; however, this decrease was more than offset by an increase in revenue per hour which set a new Company record.

Revenue from the Production Services Division accounted for 6% of the total revenue of the Company, which was lower than the prior year's total of 8%. As it did last year, acidizing services made the largest contribution to this Division's total revenue at 59%, followed by coiled tubing services at 27%. Industrial service made up 14% of total divisional revenue for the year.

Materials and operating expenses year-over-year, as a percentage of revenue, decreased to 75%, a direct result of greater operating leverage. General and administrative expenses remained relatively unchanged on a year-over year basis.

Corporate Division ($ thousands)

Years ended December 31,	2006	% of Total Revenue	2005	% of Total Revenue	Year-Over-Year Change	2004	% of Total Revenue	Year-Over-Year Change
Expenses								
Materials and operating	**1,621**	**0.2%**	2,098	0.3%	(23%)	1,146	0.3%	83%
General and administrative	**29,660**	**3.5%**	21,099	3.3%	41%	13,041	3.2%	62%
Total expenses	**31,281**	**3.7%**	23,197	3.6%		14,187	3.5%	
Operating loss*	**(31,281)**		(23,197)		35%	(14,187)		64%

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

Corporate Division expenses increased $8.1 million overall on a year-over-year basis; however, as a percentage of revenue, they remained relatively unchanged. General and administrative costs increased $8.6 million due to higher stock-based compensation and salary costs, and an increase to the provision for doubtful accounts partially offset by lower deferred share unit costs (DSU). Stock-based compensation and salary costs accounted for $8.0 million of the increase while an increase in the bad debt provision represented $1.9 million. Offsetting this was a decrease in DSU costs of $2.7 million as a result of a decline in the Company's share price year-over-year. The remaining increase of $1.4 million was a result of higher general administrative expenses as a result of growth of the company.

2005 VS. 2004 – Corporate Division

Corporate Division expenses increased $9.0 million overall on a year-over-year basis; however, as a percentage of revenue, they remained relatively unchanged. General and administrative costs increased $8.1 million due to higher stock-based compensation and staffing costs coupled with higher DSU costs. Stock-based compensation and salary costs accounted for $6.0 million of the increase while DSU costs increased $1.5 million year-over-year as a result of the increase in the Company's share price combined with additional issuances. The remaining increase was a result of higher general administrative costs of $0.6 million as a result of the growth of the Company and the Company's efforts to meet the emerging Corporate Governance requirements.

Other Expenses and Income

Interest expense for the year decreased $0.9 million, primarily as a result of repayment of various loans over the last year. Depreciation and amortization increased by $10.5 million on a year-over-year basis as a result of the continued expansion of the Company's equipment capacity and operating facilities. Fluctuations in the U.S. and Ruble currency against the Canadian dollar resulted in a $1.2 million increase in foreign exchange gains as compared with the prior year. Other expense and income increased by $1.5 million on a year-over-year basis due to higher interest income earned as a result of higher cash balances on hand.

2005 VS. 2004 – Other Expenses and Income

Interest expense for the year decreased $0.7 million as a result of repayment of various loans and capital lease obligations. Depreciation and amortization increased by $7.2 million on a year-over-year basis as a result of the continued expansion of the Company's equipment capacity and operating facilities. Foreign exchange gains increased by $0.9 million compared to the prior year as a result of fluctuations in the U.S. dollar and Ruble against the Canadian dollar. Other expense and income increased by $0.6 million on a year-over-year basis due to gains on disposal of certain assets and higher other income.

Income Taxes

Trican's income tax expense increased as a result of an increase in profitability in 2006. The Company's effective tax rate during 2006 was 31.5%, which is lower than the prior year's 34.2% due to growth in taxable income from foreign subsidiaries, which are taxed at a lower rate, and the Federal and Provincial government's announcement of reductions to their corporate income tax rates which were substantively enacted in the second quarter 2006. This was slightly offset by higher non-deductible

expenses, such as stock-based compensation expense. The future tax component relates to the deferral of taxable income as a result of the Trican partnership, as well as to accelerated deductions for capital cost allowance for tax purposes claimed in excess of depreciation and amortization for accounting purposes.

2005 VS. 2004 – Income Taxes

Trican's income tax expense increased proportionally with the increase in profitability in 2005. The Company's effective tax rate during 2005 was 34.2%, which is slightly higher than the prior year's 33.1% due to higher non-deductible expenses, such as stock-based compensation offset by growth in taxable income from foreign subsidiaries, which are taxed at a lower tax rate. The future tax component relates to the deferral of taxable income as a result of the Trican partnership, as well as to accelerated deductions for capital cost allowance for tax purposes claimed in excess of depreciation and amortization for accounting purposes.

Liquidity and Capital Resources

Liquidity

Funds provided by operations decreased 29% to $63.5 million from $88.9 million in the fourth quarter of 2006 as a result of lower earnings before income tax in Canada offset by strong results from our Russian operations. For the year ended December 31, 2006 funds from operations established a new Company record and totaled $226.5 million, an increase of 12% from the 2005 total of $202.2 million. The increase was a direct result of a significant improvement in earnings for both Canada and Russia for the year.

At December 31, 2006 the Company had working capital of $239.2 million which was an increase of $86.3 million over the 2005 year end level of $152.9 million. Significant increases in activity levels in Russia necessitated carrying higher inventory levels while higher cash balances resulted from increased earnings. Offsetting these increases were higher current income taxes payable. The change in current portion of long-term debt was the result of repayment of certain lease obligations.

The Company has a bank facility available for working capital and equipment financing requirements. At December 31, 2006, all of these lines were available for use. The Company, through the conduct of its operations has undertaken certain contractual obligations as noted in the table below:

	Payments Due By Period					
($ thousands)	**2007**	**2008**	**2009**	**2010**	**2011**	**Total**
Capital Lease Obligations	3,481	—	—	—	—	3,481
Operating Leases	5,472	5,195	3,402	2,226	2,060	18,355
Total Contractual Obligations	**8,953**	**5,195**	**3,402**	**2,226**	**2,060**	**21,836**

Capital Resources

Trican's debt is all current at year-end 2006 compared with $6.7 million of long-term debt outstanding at the end of 2005. This debt is in the form of lease facilities involving certain pieces of the Company's operating equipment. These arrangements are reflected in the accounts of the Company as capital leases, and are repayable over 84 months from the commencement of the lease. The leases contain no financial covenants and bear interest at an average of 8.12%. The Company believes that its strong balance sheet and unutilized borrowing capacity combined with funds from continuing operations will provide sufficient capital resources to fund its on-going operations and future expansion.

Subsequent Event

On February 2, 2007 the Company announced that it has reached an agreement to acquire approximately 93% of Liberty Pressure Pumping LP, a provider of pressure pumping services in Texas. Headquartered in Denton, Texas, Liberty provides stimulation services used in the development and completion of oil and gas wells.

Under the terms of the agreement Trican, through a wholly-owned U.S. subsidiary, will acquire an approximate 93% interest in Liberty in exchange for cash consideration of $U.S. 189.8 million and $US 65.9 million of Trican common shares

(number of shares to be determined by the $Cdn:$US exchange rate at closing and a value per share of $Cdn 19.33). Liberty management will retain an approximate 7% interest. Trican will acquire the remaining interest over three years in equal installments at a price based upon the financial results of Liberty, in accordance with previously agreed upon terms. Cash consideration will be funded from existing cash and bank facilities and a planned debt financing. The transaction was announced February 2 and is expected to close early March.

Liberty provides fracturing stimulation services, principally in the Barnett Shale play of north-central Texas, where it currently operates four crews of fracturing equipment. Two additional crews are currently under construction; the fifth crew is expected to be deployed by the end of the first quarter of 2007 and the sixth crew during the third quarter. When fully operational, these six crews will add an additional 130,000 hp to Trican's worldwide fracturing fleet. In addition, Liberty has contracts in place for the fabrication of three further fracturing crews with delivery anticipated in the third and fourth quarters of 2007; these three crews would add another 56,000 hp to the fracturing fleet. Liberty had growing revenues of approximately $US 42.7 million in 2006.

Liberty is a newly formed company that began operations in 2006. However, Liberty's management team, who will continue to run the operations, bring with them many years of experience, strong customer relationships and a good understanding of the Texas market.

Investing Activities

Capital expenditures for the quarter and the year totaled $25.2 and $130.1 million respectively. This compares with $32.4 million and $120.0 million for the same periods in 2005. The majority of this investment was directed to well service equipment and facilities, in particular, fracturing and nitrogen and related support equipment and infrastructure. The capital program undertaken during the year was funded entirely by cash flow from operations.

During the year, the Company acquired an additional 1.5% interest for $2.5 million in the company holding the Russian operations. This transaction, which was in accordance with a pre-existing agreement, brought the Company's interest to 97%.

Cash Requirements

The Company has historically financed its capital expenditures with funds from operations, equity issues and debt. At the end of 2006, the Company had a number of ongoing capital projects and estimates that $35.7 million of additional investment will be required to complete these projects. In addition to these amounts, capital expenditures under the Company's 2007 business plan for Russian operations are expected to total a record $US 77 million as a result of recent contract awards, customer requests to broaden service offerings and continued strong demand for the Company's current services. The Company will determine its 2007 capital program for Canadian operations after the end of the winter drilling season.

The recently announced Liberty acquisition discussed in the Subsequent Event section will be financed by existing cash and bank facilities and a planned debt financing. The Company's existing bank facilities will be increased as a result of the transaction.

Trican continues to review opportunities for growth in North America, Russia, and in other parts of the world. The capital budget may be increased if viable business opportunities are identified by the Company.

Financing Activities

The Company had a $15.0 million operating line and $25.0 million extendible revolving equipment and acquisition line. At December 31, 2006, no amounts were drawn on these facilities.

As at February 27, 2007, the Company had 115,651,417 common shares and 10,505,801 employee stock options outstanding.

Accounting Changes

The CICA issued two new accounting standards: Section 1530, *Comprehensive Income* and Section 3855, *Financial Instruments – Recognition and Measurement*. These standards that the Company will apply effective January 1, 2007 are summarized below.

A statement entitled "Consolidated Statement of Comprehensive Income" will be added to the Company's Consolidated Statement of Operations and Retained Earnings. Comprehensive income consists of net income plus "Other comprehensive income." Other comprehensive income will include the unrealized exchange gains or losses arising from self-sustaining foreign operations. Accumulated other comprehensive income will be presented separately in shareholders' equity.

Section 3855, Financial Instruments describes the standards for recognizing and measuring financial instruments on the balance sheet and the standards for reporting gains and losses in the financial statements. Financial assets classified as loans and receivables and financial liabilities classified as other liabilities have to be measured initially at fair value. The impact of the adoption of this new section on the consolidated financial statements is not expected to be material.

Critical Accounting Estimates

The Company prepares its consolidated financial statements in accordance with Canadian Generally Accepted Accounting Principles. In doing so, management is required to make various estimates and judgments in determining the reported amounts of assets and liabilities, revenues and expenses, as well as the disclosure of commitments and contingencies. Management bases its estimates and judgments on its own experience and various other assumptions believed to be reasonable under the circumstances. Anticipating future events cannot be done with certainty; therefore, these estimates may change as new events occur, more experience is acquired or the Company's operating environment changes. The accounting estimates believed to require the most difficult, subjective or complex judgments and which are material to the Company's financial reporting results are as follows:

Allowance for Doubtful Accounts Receivable

Trican evaluates its accounts receivable through a continuous process of assessing its portfolio on an individual customer and overall basis. This process consists of a thorough review of historical collection experience, current aging status of the customer accounts, financial condition of the Company's customers, and other factors. Based on its review of these factors, it establishes or adjusts allowances for specific customers as well as general provisions if industry conditions warrant. This process involves a high degree of judgment and estimation and frequently involves significant dollar amounts. Accordingly, the Company's results of operations can be affected by adjustments to the allowance due to actual write-offs that differ from estimated amounts.

Asset Impairment

Property and equipment is tested for impairment annually, or more frequently as circumstances require. An impairment loss is recognized when the carrying amount of the assets exceeds the sum of the undiscounted cash flows expected to result from their use and eventual disposition. Estimates of undiscounted future net cash flows are calculated using estimated future job count, sales prices, operating expenditures and other costs. These estimates are subject to risk and uncertainties, and it is possible that changes in estimates could occur which may affect the expected recoverability of the Company's assets.

To test for and measure impairment, assets are grouped at the lowest level for which identifiable cash flows are largely independent. The three lowest asset groupings for which identifiable cash flows are largely independent are Well Service, Production Services and industrial services, which is a reporting unit within Production Services.

The assumptions management used to determine the future recoverability of these assets resulted in no indication that the carrying value would not be recoverable in the future.

Goodwill Impairment

Goodwill represents the excess of purchase price for companies acquired over the fair market value of the acquired Company's net assets. Goodwill is allocated as of the date of the business combination to the Company's reporting units that are expected to benefit from the synergies of the business combination. Goodwill is tested for impairment at least annually.

The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and performance of the second step of the impairment test is unnecessary. The second step compares the implied fair value of the reporting unit's goodwill with its carrying amount to measure the amount of the impairment loss, if any.

Assumptions utilized to determine the fair market value of each reporting unit are estimated future job count, sales prices, operating expenditures and other costs as well as various earnings multiples. These estimates are subject to risk and uncertainties, and it is possible that changes in estimates could occur which may effect the impairment of goodwill. The assumptions management used to determine the future recoverability of long-lived assets resulted in no indication that the carrying value of the goodwill has been impaired.

Depreciation and Amortization of Property and Equipment

Depreciation and amortization is calculated using the straight-line method over the estimated useful life of the asset. Management bases the estimate of the useful life and salvage value of equipment on expected utilization, technological change and effectiveness of maintenance programs. Although management believes the estimated useful lives and salvage values of the Company's equipment are reasonable, they can not be certain that depreciation and amortization expense measures with precision the true reduction in value of assets over time. There have been no significant changes to the estimated useful lives of the Company's property and equipment during the past two years.

Income Taxes

The Company follows the liability method of accounting for income taxes. Under this method, the Company records future income taxes for the effect of any difference between the accounting and income tax basis of an asset or liability, using the substantively enacted tax rates. Valuation allowances are established to reduce future tax assets when it is more likely than not that some portion or all of the future tax asset will not be realized. Estimates of future taxable income and the continuation of ongoing prudent tax planning arrangements have been considered in assessing the utilization of available tax losses. Changes in circumstances and assumptions may require changes to the valuation allowances associated with the Company's future tax assets.

Inventory Obsolescence

Inventories are regularly reviewed and provisions for obsolete inventory are established based on historical usage patterns and known changes to equipment or processes that would render specific items no longer usable in operations. Significant or unanticipated changes in business conditions could affect the amount and timing of any additional provision for obsolete inventory that may be required. As at December 31, 2006, the Well Service Division's inventory balance was $76.6 million and the Production Services Division was $3.4 million.

Business Risks

The activities we undertake involve a number of risks and uncertainties inherent in the industry, some of which are summarized below. Additional risks and uncertainties that our management may be unaware of, or that they determine to be immaterial may also become important factors which affect us.

Oil and Natural Gas Prices

The demand for Trican's services is largely dependent upon the level of expenditures made by oil and gas companies on exploration, development and production activities. The price received by our customers for the crude oil and natural gas they produce has a direct impact on cash flow available to them to purchase services provided by Trican. As crude oil and natural gas sales are based primarily on U.S. dollar priced indices, movement of the Canadian dollar and Russian Ruble relative to their U.S. counterpart will also have an impact on the cash flow available to our customers to acquire services. Exploration, development and production activities are also influenced by a number of factors including taxation and regulatory changes, access to pipeline capacity and changes in equity markets. Demand for crude oil and natural gas is also strongly influenced by a number of factors including the weather, geopolitical factors and the strength of the global economy.

Sources, Pricing and Availability of Raw Materials and Component Parts

We source our raw materials, such as oilfield cement, proppant, nitrogen, carbon dioxide and coiled tubing, from a variety of suppliers, most of whom are located in Canada, Russia and the United States. Alternate suppliers exist for all raw materials. The source and supply of materials has been consistent in the past; however, in periods of high industry activity, as has been seen in recent years, Trican has experienced periodic shortages of certain materials. Management maintains relationships with a number of suppliers in attempt to mitigate this risk. However, if the current suppliers are unable to provide the necessary materials, or otherwise fail to deliver products in the quantities required, any resulting delays in the provision of services to our clients could have a material adverse effect on our results of operations and our financial condition.

Importance of Intangible Property

When providing services, we rely on trade secrets and know-how to maintain our competitive position and where possible, we undertake to protect our intellectual property by applying for patent protection. There is currently one patent issued to Trican for a specialized fracturing fluid. There are also currently 10 patents pending. These pending patents consist of three on new fracturing fluids, one on a new CBM fracturing technique, four on coiled tubing tools and techniques related to high pressure jetting technology, shallow gas fracturing and wellbore dewatering, one on a new chemical for suspending sand, and one regarding an innovative technique for fracturing multiple intervals in horizontal wellbores with coiled tubing. We have also negotiated exclusive Canadian licenses to utilize new and innovative technologies in relation to our cementing services for pulsation technology, and coiled tubing services related to reverse circulation drilling.

Cyclical or Seasonal Nature of Industry

The well service industry is characterized by considerable seasonality, especially in Canada. The first calendar quarter is the most active quarter in the well service industry, the second quarter is the least active, and the third and fourth quarters typically reflect increasing activity over the preceding quarter. During the second quarter, when the frost leaves the ground in the spring, many secondary roads are temporarily rendered incapable of supporting the weight of heavy equipment, which results in severe restrictions in the level of well servicing activity. The duration of this period, commonly referred to as the "spring break-up", has a direct impact on the level of our activities, particularly in Canada. Spring-break-up, which generally occurs between March and May, is typically the slowest period of activity for us.

During other periods of the year, rainfall can also render some of the secondary and oilfield service roads impassible for the Company's equipment. These factors can all reduce activity levels below normal or anticipated levels.

Furthermore, fluctuations in oil and natural gas prices can produce periods of high and low demand for well services. During periods of low commodity prices, when the cash flow of our customers is restricted, demand for our services may also be reduced. Conversely, during periods of high commodity prices, when the cash flow of our customers increases, the demand for our services may increase.

Competitive Conditions

The oilfield services market is highly competitive. The competitors in the well service market in both Canada and Russia include B.J. Services Ltd., Halliburton Energy Services, Schlumberger Incorporated, Calfrac Well Services Ltd. as well as other domestic companies in the markets in which we operate.

Although we believe that we are continuing to build market share and have a significant presence in respect of all of our services, we do not currently hold a dominant market position with respect to any of the services we offer in any of the markets in which we operate.

Environmental Protection

We and others in the well service industry are subject to various environmental laws and regulations enacted in most jurisdictions in which we operate, which primarily govern the manufacture, processing, importation, transportation, handling and disposal of certain materials used in our operations. We believe that we are currently in compliance with such laws and regulations. Our customers are subject to similar laws and regulations, as well as limits on emissions into the air and discharges into surface and sub-surface waters. While regulatory developments that may follow in subsequent years could have the effect of reducing industry activity, we cannot predict the nature of the restrictions that may be imposed. We may be required to increase operating expenses or capital expenditures in order to comply with any new restrictions or regulations.

Historically, environmental protection requirements have not had a significant financial or operational effect on our capital expenditures, earnings or competitive position. Environmental protection requirements are not presently anticipated to have a significant effect on such matters in 2007 or in the future.

The services provided by the Company, in some cases, involve flammable products being pumped under high pressure. To address these risks, Trican has developed and implemented safety and training programs. In addition, a comprehensive insurance and risk management program has been established to protect the Company's assets and operations. Trican also complies with current environmental requirements and maintains an ongoing participation in various industry-related committees and programs.

Availability of Qualified Staff

The Company's ability to provide reliable service is dependent upon attracting and retaining skilled workers. The Company attempts to overcome this by offering an attractive compensation package and training to enhance skills and career prospects.

Equipment and Parts Availability

The Company's ability to expand its operations and provide reliable service is dependent upon timely delivery of new equipment and replacement parts from fabricators and suppliers. A lack of skilled labour to build equipment, combined with new competitors entering the oilfield service sector, is placing a strain on some fabricators. This has substantially increased the order time on new equipment and increased uncertainty surrounding final delivery dates. Significant delays in the arrival of new equipment from expected dates may constrain future growth and the financial performance of the Company. The Company attempts to mitigate this risk by maintaining strong relations with key fabricators and suppliers.

Risks of Foreign Operations

An increasing portion of the Company's operations are in Russia where the political and economic systems differ from those of North America. To attempt to mitigate these risks, the Company has hired employees who have extensive experience in the international marketplace supplemented with local qualified staff.

Foreign Exchange Exposure

Trican's consolidated financial statements are presented in Canadian dollars. The reported results of our foreign subsidiary operations are affected primarily by the movement in exchange rates between the Canadian and U.S. dollar and Russian Ruble. Trican's Canadian operations include exchange rate exposure as purchases of some equipment and materials

are from U.S. suppliers. Other than natural hedges undertaken in the normal course of ongoing business, no hedging positions are currently in place.

Merger and Acquisition Activity

Merger and acquisition activity in the oil and gas exploration and production sector may constrain demand for the Company's services as customers focus on reorganizing the business prior to committing funds to exploration and development projects.

Further, the acquiring company may have preferred supplier relationships with oilfield service providers other than Trican.

Kyoto Protocol

In December 2002, the Government of Canada ratified the Kyoto Protocol ("Protocol"). The Protocol calls for Canada to reduce its greenhouse gas emissions to certain target levels during the period between 2008 and 2012, and to meet further targets beyond 2012. When the Government of Canada implements the Protocol, it is expected to affect the operation of all industries in Canada, including the well service industry and its customers in the oil and natural gas industry. As details of implementation of this Protocol have yet to be announced, the affect on our operations cannot be determined at this time. On February 14, 2007, a private member's bill was passed by the opposition members of the Canadian parliament requiring the Government to set out its plan to meet Kyoto targets within 60 days. Thus far, no action has been taken by the Canadian Government to recognize the bill as law.

The Government of Canada has put forward a Climate Change Plan for Canada which suggests further legislation will set greenhouse gases emission reduction requirements for various industrial activities, including oil and gas exploration and production. Future federal legislation may require reductions of emissions or emissions intensity produced by our operations and facilities.

Internal Control over Financial Reporting

Disclosure Controls and Procedures

An evaluation was performed under the supervision and with the participation of the Company's management, including the Chief Executive Officer (CEO) and Chief Financial Officer (CFO), of the effectiveness of the design of the Company's disclosure controls and procedures, as defined in Multilateral Instrument 52-109. Based on that evaluation, the Company's management, including the CEO and CFO, concluded that the Company's disclosure controls and procedures were designed to provide a reasonable level of assurance over disclosure of material information, and are effective as of December 31, 2006.

Management's Report on Internal Control over Financial Reporting

The Chief Executive Officer and Chief Financial Officer of Trican Well Service Ltd. are responsible for designing internal controls over financial reporting or causing them to be designed under their supervision. The Company's internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the Company's financial reporting and its preparations of financial statements for external purposes in accordance with Canadian generally accepted accounting principles.

Internal control over financial reporting, no matter how well designed, has inherent limitations. Therefore, internal control over financial reporting can provide only reasonable assurance with respect to financial statement preparation and may not prevent or detect all misstatements.

Changes in Internal Control over Financial Reporting during Q4

There were no changes in our internal control over financial reporting during the last quarter of the year ended December 31, 2006 that have materially effected or are reasonably likely to materially effect our internal control over financial reporting.

Outlook

Russia

Demand for services in Russia continues to look strong. Earlier this year, Trican's Russian operations were awarded a three-year strategic contract with Yuganskneftegaz. This contract is for a guaranteed number of large volume fracturing jobs over three years commencing January 1, 2007 subject to ongoing work performance requirements, with potential for a 20% increase in work scope over the contract term. This contract award was based on the Company's high level of operational and technical performance and over its life is estimated to generate revenue of approximately $US 210 to $US 250 million.

Trican also intends to invest an additional $US 77 million in its Russian operations in 2007. The funds will be used to expand operating capacity and to broaden service offerings. Equipment capacity for our fracturing and cementing services will be enhanced by the addition of three new fracturing crews and three cement units. To broaden its service offerings, the Company will also be introducing three deep coiled tubing units and three nitrogen units into the market during the year.

Canada

During the first quarter of 2006, North America experienced one of the warmest winters on record which significantly reduced the amount of natural gas consumed during the winter heating season. Higher than normal natural gas storage levels persisted for the balance of the year reducing natural gas prices and gas directed drilling programs. Expected demand for services in Canada for the upcoming year is, in large part, dependent upon the severity of the winter experienced in the natural gas consuming markets of North America. To date, winter temperatures in these markets have been colder than experienced in 2006 but have been somewhat warmer than typically experienced over the last five years. As a result, some industry watchers have indicated that activity levels in Canada could be 5 - 10% lower in 2007 than seen in recent years. Due to this uncertainty, management has deferred finalizing the 2007 capital program until the end of the winter heating season.

United States

The Company recently announced an agreement to acquire Liberty Pressure Pumping LLP, a fracturing service company with operations centered in the Barnett Shale play of north-central Texas. This transaction is expected to close in early March. Unlike western Canada, on-shore natural gas directed drilling activity in the United States has continued at strong levels despite weakening natural gas commodity prices. Like the Canadian pressure pumping market, demand for services will be strongly influenced by near and medium term natural gas prices. Management believes that activity will continue at strong levels in the areas in which the Company intends to operate due to the economic performance of the gas plays in this area and the unique elements of the exploitation leases which reinforce the need to continue to drill prospects.

With the significant investment undertaken in equipment and facilities in recent years, Trican is committed to meeting the demands of its customers and becoming the preeminent pressure pumping Company in our areas of operations. In Canada, the Company is well equipped to respond to changes in demand for services. In Russia, the Company's emerging position as a leading provider of pressure pumping services is presenting it with new growth opportunities. In the U.S., the Liberty acquisition will provide the Company with a solid platform for additional growth.

With the Company's unique position in three of the leading pressure pumping markets in the world, Trican is well positioned to continue to deliver strong financial and operational performance.

Forward-looking Statements

This document contains statements that constitute forward-looking statements within the meaning of applicable securities legislation. These forward-looking statements include, among others, the Company's prospects, expected revenues, expenses, profits, expected developments and strategies for its operations, and other expectations, beliefs, plans, goals, objectives, assumptions, information and statements about possible future events, conditions, results of operations or performance. These forward-looking statements are identified by their use of terms and phrases such as "anticipate," "achieve", "achievable," "believe," "estimate," "expect," "intend", "plan", "planned", and other similar terms and phrases. Forward-looking statements are based on current expectations, estimates, projections and assumptions that involve a number of risks and uncertainties, which could cause actual results to differ materially from those anticipated. These risks and uncertainties include: fluctuating prices for crude oil and natural gas; changes in drilling activity; general global economic, political and business conditions; weather conditions; regulatory changes; and availability of products, qualified personnel, manufacturing capacity and raw materials. If any of these uncertainties materialize, or if assumptions are incorrect, actual results may vary materially from those expected.

Selected Annual Information ($ thousands, except per share amounts and operational information)

	2006	2005	2004
Revenue	**847,472**	640,898	408,269
Net Income from continuing operations	**172,563**	131,730	65,355
Net Income	**172,563**	131,730	59,042
Earnings Per Share from continuing operations			
Basic	**$ 1.50**	$ 1.17	$ 0.59
Diluted	**$ 1.44**	$ 1.12	$ 0.57
Earnings Per Share			
Basic	**$ 1.50**	$ 1.17	$ 0.54
Diluted	**$ 1.44**	$ 1.12	$ 0.52
Funds provided by continuing operations*	**226,520**	202,169	101,349
Capital Expenditures	**130,130**	119,970	79,669
Total assets	**745,211**	535,543	348,404
Total Long-Term Financial Liabilities	**3,397**	14,154	22,129
Shareholders' Equity	**539,768**	361,083	222,578
Average Share Outstanding - Basic	**114,846**	113,232	109,885
Average Share Outstanding - Diluted	**119,572**	118,329	114,346
Shares Outstanding at Year End	**115,198**	113,908	111,302

* see comment regarding operating income located on page 11 of the Management's Discussion and Analysis

Operational Information (unaudited)

	2006	2005	2004
Well Service			
Number of Jobs Completed	**26,178**	25,890	20,977
Revenue Per Job	**30,679**	23,393	18,135
Production Services			
Number of Jobs Completed	**3,112**	2,211	2,384
Revenue Per Job	**10,960**	10,213	9,669
Number of Hours	**11,947**	13,951	16,623

Summary of Quarterly Results ($ millions, except per share amounts; unaudited)

	2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	**208.3**	**244.1**	**137.4**	**257.6**	207.5	174.3	94.7	164.5
Net income	**35.3**	**54.6**	**17.4**	**65.2**	50.5	36.6	8.0	36.7
Earnings per share								
Basic	**0.31**	**0.47**	**0.15**	**0.57**	0.45	0.32	0.07	0.33
Diluted	**0.30**	**0.46**	**0.15**	**0.55**	0.42	0.31	0.07	0.31

Q4 – 2006

- Trican's consolidated revenue increased marginally compared to the same period in 2005 as the relative contribution from our Russian operations offset the decline in revenue in Canada.

- Activity in the WCSB as measured by the number of active drilling rigs decreased 25% for the quarter relative to the same period in 2005. Gas directed drilling in the shallow to intermediate depth areas of the basin was hardest hit, with lower demand for shallow cementing, conventional fracturing and CBM fracturing services.

- Russian operations set new quarterly record highs for total revenue and revenue per job as a result of three additional fracturing crews operating compared with the same period in 2005, combined with revenues from the new base established in Nefteyugansk late in 2005.

- Russian revenue per job of $142,368 set a new record, more than doubling the comparable prior quarter's amount of $68,889 as a result of overall larger job sizes, particularly in Nefteyugansk, and improved contract pricing.

Q3 – 2006

- Trican's revenue for the quarter increased 40% compared to the same period in 2005 while net income increased over 49% to $54.6 million over the $36.6 million recorded in the third quarter of 2005.

- Weak natural gas prices had a greater impact on activity in the shallow and intermediate depth areas of the WCSB during the quarter as operators reduced spending on marginal gas plays such as shallow gas and coalbed methane programs.

- Trican's activity in the northern and deeper areas of the basin increased compared with last year, reflecting the Company's significant investment and strong presence in these markets. Work in these areas may be less affected by short term commodity price weakness, as these development programs are focused on longer lived reserves with longer delivery times to market.

- Revenue from Russian operations increased more than 150% to a record $56.2 million compared to the same period in 2005 as a result of increased equipment capacity and higher revenue per job which benefited from larger overall job sizes and improved pricing.

- Results for the quarter also benefited from the redeployment of a fracturing crew to Kazakhstan; the equipment was well received by our customers and management is optimistic that sufficient work exists in the Kyzylorda region to justify keeping this equipment in Kazakhstan into 2007.

- Late in September, a Nefteyugansk fracturing crew completed a 536-tonne hydraulic fracturing treatment which took more than six hours to pump and was completed flawlessly as planned. This was the largest fracturing treatment ever undertaken by Trican and what we believe was the largest treatment executed in Russia at that time.

Q2 – 2006

- Trican's revenue for the quarter increased 45% compared to the same period in 2005 establishing a new corporate high for the second quarter, which is traditionally a period of reduced activity. Net income increased almost 120% to $17.4 million over the $8.0 million recorded in the second quarter of 2005.

- Operations in Canada were hampered by the late arrival of spring break-up which extended the winter drilling season in the first quarter but delayed the commencement of the summer exploration and development programs in the second quarter.

- Heavy rain was experienced in southern Alberta, reducing shallow gas and coalbed methane directed programs. Coalbed methane programs were further constrained by increased regulatory requirements extending the well licensing process.

- Russian operations revenue increased over 129% to a record $46.3 million compared to the same period in 2005 as a result of customers catching up on work that could not be completed during the extremely cold first quarter as well as a new base in Nefteyugansk coupled with three additional fracturing crews added since the second quarter of 2005, bringing the total number of crews operating to eight.

- A reduction to the tax provision, as a result of announced reductions in the Federal and Provincial corporate tax rates for our Canadian operations, enhanced results during the quarter. The quarter tax provision was reduced by $5.0 million, which increased net income per share by $0.04.

- On May 3, 2006, Trican's Board of Directors resolved to commence semi-annual dividend payments of $0.05 per share to holders of common shares. The dividend policy was instituted to attract retail and large investment funds that require dividends in order to invest in a company's shares. On May 10, 2006, Trican's shareholders approved a stock split of the Company's common shares on a two-for-one basis.

Q1 – 2006

- Despite losing approximately 20 to 25 days of work due to extremely cold weather in our Russian operations, results for the quarter established new Company records for all major financial and operational measures.

- Canadian operations enjoyed strong operating conditions, which included a cold spell late in March that delayed the onset of spring break up and extended the winter drilling season.

- Activity in the Western Canadian Sedimentary Basin, as measured by the number of active drilling rigs, was at an all time high, topping 740 during the quarter, 7% higher than the peak level last year.

- Continued investment in Canadian operational capacity helped drive a new record for the number of jobs completed during a quarter.

- Additional equipment capacity and the opening of a new base in Nefteyugansk that was established to support the work on the new contract announced last year, helped drive record revenues and revenue per job for Russian operations.

Q4 – 2005

- Continued strong demand for services resulting from strength in oil and natural gas prices, as well as increased activity from our Russian operations drove new record results for revenue, revenue per job, revenue per hour and job count for the quarter.

- Revenue for the quarter from Russian operations established a new record and increased by 140% as a result of two additional fracturing crews combined with larger overall job size relative to the same period in 2004.

- Late in the fourth quarter, our Russian subsidiary was awarded a work contract with a major new strategic customer in western Siberia to perform more than 200 fracturing treatments with an expected value in excess of US $60 million.

- The Company recorded earnings per share of $0.45 ($0.42 diluted), the highest for a quarter in the Company's history.

Q3 – 2005

- The Company's activity levels during the quarter were hampered by periods of wet weather in southern Alberta; however, strong demand for services in Trican's northern Alberta and British Columbia areas combined with continued favourable results from our Russian operations helped establish new record highs for total revenue, number of jobs completed and funds from continuing operations in a quarter.

- Despite wet weather, drilling activity in the WCSB increased almost 16% over the same quarter last year. This rise in activity coupled with three additional fracturing crews, three new state-of-the-art CBM crews, three deep coil units and eleven cementing units added quarter-over-quarter drove a 50% increase in jobs performed and produced the highest job count in the Company's history.

- Revenue for the quarter from Russian operations increased 63% compared to the same period in 2004 and established new records for quarterly revenue, revenue per job and number of jobs completed as a result of strong demand for services, two additional fracturing crews and larger overall job sizes quarter-over-quarter.

- The Board of Directors approved a $7 million increase in the capital budget for Trican's Russian operations bringing the total budget for 2005 to $27 million. The additional investment will upgrade the pumping capacity and expand logistical support for the Company's fracturing operations and was required because of a trend towards increasing job size.

Q2 – 2005

- The results for the quarter reflect the impact of spring break-up, which historically hampers activity in most of the Company's Canadian areas of operations. Despite a significant amount of precipitation received in Alberta in June, continued strong demand for services in Canada and continued record results from our Russian operations combined to produce the best second quarter in the Company's history.
- Russian operations achieved record results in both total revenue and revenue per job for the quarter, relative to the same period in 2004. Activity levels remained relatively high as spring break-up does not effect our Russian operations to the same extent as in Canada.
- Operations from our Kazakhstan base began strongly in the second quarter but were later curtailed due to ongoing uncertainty surrounding a key customer. The Company re-deployed the equipment as a result of strong interest from new customers in Russia.
- A stock split of Trican's common shares was approved on a three-for-one basis effective May 26, 2005.

Q1 – 2005

- Activity levels in the WCSB were on course to set a new record for number of wells drilled in a quarter but were cut short in March when warm weather brought an early end to the winter drilling season. Despite a slight decrease in well count, expanded equipment capacity and strong demand for the Company's equipment drove record results, particularly for fracturing services.
- Well Service revenue per job in Canada increased 27% to a record $22,861 as a result of more work being performed in the deeper, more technically challenging areas of the WCSB, the addition of CBM related work and a price book increase in August 2004.
- Despite very cold weather in Russia in January that slowed activity, our Russian operations achieved record results for the quarter relative to the same period in 2004. Two additional fracturing crews had been added since the first quarter of 2004 which doubled the size of the fracturing fleet and helped establish a new record for total fracturing jobs. An additional twin cementer was added in the third quarter of 2004 which brought the total number of units operating to three.
- The Company opened its new operations base in Kyzylorda, Kazakhstan and operations commenced in April on a large fracturing contract secured from a western customer operating in the area.

Management's Responsibility for Financial Statements

The management of Trican Well Service Ltd. is responsible for the preparation and integrity of the accompanying consolidated financial statements and all other information contained in this Annual Report. The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in Canada and include amounts that are based on management's informed judgments and estimates where necessary.

The Company maintains internal accounting control systems which are adequate to provide reasonable assurance that assets are safeguarded, transactions are executed in accordance with management's authorization and accounting records are reliable as a basis for the preparation of the consolidated financial statements.

The Board of Directors, through its Audit Committee, monitors management's financial and accounting policies and practices and the preparation of these financial statements. The Audit Committee meets periodically with external auditors and management to review the work of each and the propriety of the discharge of their responsibilities. Specifically, the Audit Committee reviews with management and the external auditors the financial statements and annual report of the Company prior to submission to the Board of Directors for final approval. The external auditors have full and free access to the Audit Committee to discuss auditing and financial reporting matters.

The shareholders have appointed KPMG LLP as the external auditors of the Company and, in that capacity; they have examined the financial statements for the periods ended December 31, 2006 and 2005. The Auditors' Report to the shareholders is presented herein.

MURRAY L. COBBE
PRESIDENT AND CHIEF EXECUTIVE OFFICER

MICHAEL G. KELLY
VICE PRESIDENT, FINANCE AND ADMINISTRATION AND CHIEF FINANCIAL OFFICER

February 27, 2007

We have audited the consolidated balance sheets of Trican Well Service Ltd. as at December 31, 2006 and 2005 and the consolidated statements of operations and retained earnings and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2006 and 2005 and the results of its operations and its cash flows for the years then ended in accordance with Canadian generally accepted accounting principles.

KPMG LLP

KPMG LLP
CHARTERED ACCOUNTANTS
CALGARY, CANADA
February 27, 2007

Consolidated Balance Sheets

(Stated in thousands of dollars) As at December 31,	2006	2005
Assets		
Current assets		
Cash and short-term deposits	$ 94,710	$ 35,023
Accounts receivable	156,306	145,717
Inventory	80,029	40,314
Prepaid expenses	11,807	6,707
	342,852	227,761
Property and equipment *(note 5)*	384,659	290,512
Future income tax assets *(note 11)*	2,396	2,693
Other assets	1,321	2,803
Goodwill *(note 4)*	13,983	11,774
	$ 745,211	$ 535,543
Liabilities And Shareholders' Equity		
Current liabilities		
Accounts payable and accrued liabilities	$ 58,142	$ 59,731
Dividend payable	5,760	—
Current income taxes payable	36,312	7,683
Current portion of long-term debt *(note 7)*	3,397	7,451
	103,611	74,865
Long-term debt *(note 7)*	—	6,703
Future income tax liabilities *(note 11)*	100,413	91,991
Non-controlling interest *(note 4)*	1,419	901
Shareholders' equity		
Share capital *(note 8)*	84,661	77,806
Contributed surplus	15,638	6,251
Foreign currency translation adjustment	(7,137)	(8,521)
Retained earnings	446,606	285,547
	539,768	361,083
Contractual obligations and contingencies *(note 13 and 15)*		
Subsequent event *(note 16)*	$ 745,211	$ 535,543

See accompanying notes to the consolidated financial statements.

MURRAY L. COBBE

DIRECTOR

VICTOR J. STOBBE

DIRECTOR

Consolidated Statements of Operations & Retained Earnings

(Stated in thousands, except per share amounts) Years ended December 31,	2006	2005
Revenue *(note 14)*	$ 847,472	$ 640,898
Expenses		
Materials and operating	531,875	393,347
General and administrative	31,405	22,373
Operating income	284,192	225,178
Interest expense	736	1,624
Depreciation and amortization	34,798	24,335
Foreign exchange gain	(2,027)	(798)
Other income	(2,321)	(838)
Income before income taxes and non-controlling interest	253,006	200,855
Provision for current income taxes *(note 11)*	70,816	26,967
Provision for future income taxes *(note 11)*	8,817	41,795
Income before non-controlling interest	173,373	132,093
Non-controlling interest *(note 4)*	810	363
Net income	172,563	131,730
Retained earnings, beginning of year	285,547	153,817
Dividends	(11,504)	—
Retained earnings, end of year	$ 446,606	$ 285,547
Earnings per share *(note 9)*		
Basic	$ 1.50	$ 1.17
Diluted	$ 1.44	$ 1.12
Dividend per share	$ 0.10	$ —
Weighted average shares outstanding - basic *(note 9)*	114,846	113,232
Weighted average shares outstanding - diluted *(note 9)*	119,572	118,329

See accompanying notes to the consolidated financial statements.

Consolidated Cash Flow Statements

(Stated in thousands of dollars) Years ended December 31,	2006	2005
Cash Provided By (Used In):		
Operations		
Net income	$ 172,563	$ 131,730
Charges to income not involving cash:		
Depreciation and amortization	34,798	24,335
Future income tax provision	8,817	41,795
Non-controlling interest	810	363
Stock-based compensation	11,028	5,158
(Gain)/loss on disposal of property and equipment	442	(92)
Gain on sale of investment	(135)	—
Unrealized foreign exchange gain	(1,803)	(1,120)
Funds provided by operations	226,520	202,169
Net change in non-cash working capital from operations	(22,963)	(57,469)
Net cash provided by operations	203,557	144,700
Investing		
Purchase of property and equipment	(130,130)	(119,970)
Proceeds from the sale of property and equipment	1,294	3,170
Purchase of other assets	(7)	(36)
Business acquisitions	(2,536)	(4,185)
Net change in non-cash working capital from the purchase of property and equipment	(1,204)	(1,619)
	(132,583)	(122,640)
Financing		
Net proceeds from issuance of share capital	5,214	6,638
Repayment of long-term debt	(10,757)	(8,030)
Dividend paid	(5,744)	—
	(11,287)	(1,392)
Increase in cash and short-term deposits	59,687	20,668
Cash and short-term deposits, beginning of year	35,023	14,355
Cash and short-term deposits, end of year	$ 94,710	$ 35,023
Supplemental information		
Income taxes paid	43,666	30,571
Interest paid	736	1,543

See accompanying notes to the consolidated financial statements.

For the years ended December 31, 2006 and 2005

NOTE 1 Nature of Business and Basis of Presentation

Nature of business

Trican Well Service Ltd. (the "Company") is an oilfield services Company incorporated under the laws of the province of Alberta. The Company provides a comprehensive array of specialized products, equipment, services and technology for use in the drilling, completion, stimulation and reworking of oil and gas wells in western Canada, Russia and Kazakhstan.

Basis of presentation

The financial statements are prepared in accordance with Canadian Generally Accepted Accounting Principles. Management is required to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ from these estimates.

NOTE 2 Significant Accounting Policies

The following is a summary of significant accounting policies used in the preparation of these consolidated financial statements:

Consolidation

These consolidated financial statements include the accounts of the Company and its subsidiaries, all of which, except one, are wholly owned. All inter-company balances and transactions have been eliminated on consolidation.

Cash and short-term deposits

The Company's short-term investments with original maturities of three months or less are considered to be cash equivalents and are recorded at cost, which approximates fair market value.

Inventory

Inventory is carried at the lower of cost, determined under the first-in, first-out method, and net realizable value.

Property and equipment

Property and equipment are stated at cost less accumulated depreciation. Major betterments are capitalized. Repairs and maintenance expenditures which do not extend the useful life of the property and equipment are expensed.

Depreciation is calculated using the straight-line method over the estimated useful life of the asset as follows:

Buildings and improvements	20 years
Equipment	3 to 10 years
Furniture and fixtures	2 to10 years

Management bases the estimate of the useful life and salvage value of property and equipment on expected utilization, technological change and effectiveness of maintenance programs. Although management believes the estimated useful lives of the Company's property and equipment are reasonable, it is possible that changes in estimates could occur which may affect the expected useful lives of the property and equipment.

Asset impairment

Property and equipment is tested for impairment annually, or more frequently as circumstances require. An impairment loss is recognized when the carrying amount of the assets exceeds the sum of the undiscounted cash flows expected to result from their use and eventual disposition. Estimates of undiscounted future net cash flows are calculated using estimated future job count, sales prices, operating expenditures and other costs. These estimates are subject to risk and uncertainties, and it is possible that changes in estimates could occur which may effect the expected recoverability of the Company's assets.

To test for and measure impairment, assets are grouped at the lowest level for which identifiable cash flows are largely independent. The three lowest asset groupings for which identifiable cash flows are largely independent are Well Service, Production Services and industrial services which is a component or reporting unit within Production Services.

Goodwill

Goodwill represents the excess of purchase price for business acquisitions over the fair value of the acquired net assets. Goodwill is allocated as of the date of the business combination to the Company's reporting units that are expected to benefit from the synergies of the business combination. Goodwill is not amortized, but is tested for impairment at least annually.

The impairment test is carried out in two steps. In the first step, the carrying amount of the reporting unit is compared with its fair value. When the fair value of a reporting unit exceeds its carrying amount, goodwill of the reporting unit is considered not to be impaired and performance of the second step of the impairment test is unnecessary. The second step compares the implied fair value of the reporting unit's goodwill with its carrying amount to measure the amount of the impairment loss, if any.

Revenue recognition

The Company's revenue comprises services and other revenue and is generally sold based on fixed or determinable priced purchase orders or contracts with the customer. Service and other revenue is recognized when the services are provided and collectibility is reasonably assured. Customer contract terms do not include provisions for significant post-service delivery obligations.

Income taxes

The Company follows the liability method of accounting for income taxes. Under this method, the Company records future income taxes for the effect of any difference between the accounting and income tax basis of an asset or liability, using the substantively enacted tax rates. The computation of the provision for income taxes involves tax interpretations, regulations and legislation that are continually changing. There are tax matters that have not yet been confirmed by taxation authorities; however, management believes the provision for income taxes is reasonable.

Foreign currency translation

For foreign entities whose functional currency is the Canadian dollar, the Company translates monetary assets and liabilities at year-end exchange rates, and non-monetary items are translated at historical rates. Income and expense accounts are translated at the average rates in effect during the year. Gains or losses from changes in exchange rates are recognized in consolidated income in the year of occurrence.

For foreign entities whose functional currency is not the Canadian dollar, the Company translates net assets at year-end rates and income and expense accounts at average exchange rates. Adjustments resulting from these translations are reflected in the shareholders' equity section of the consolidated statements of operations and retained earnings as foreign currency translation adjustments.

Transactions of Canadian entities in foreign currencies are translated at rates in effect at the time of the transaction. Foreign currency monetary assets and liabilities are translated at current rates. Gains or losses from changes in exchange rates are recognized in consolidated income in the year of occurrence. Advances made to subsidiaries for which settlement is not planned or anticipated in the foreseeable future will be considered part of the net investment. Accordingly, gains and losses on foreign currency translation are reported as cumulative translation adjustments, a separate component of shareholders' equity.

Stock-based compensation plans

The Company has a stock option plan which is described in note 10. The Company accounts for stock options using the Black-Scholes option pricing model, whereby the fair value of stock options are determined on their grant date and recorded as compensation expense over the period that the stock options vest, with a corresponding increase to contributed surplus. When stock options are exercised, the proceeds together with the amount recorded in contributed surplus are recorded in share capital.

The Company has a deferred share unit plan which is described in note 10. The Company accrues a liability equal to the closing price of the Company's common shares for each unit issued under the plan.

Earnings per share

Basic earnings per share is calculated using the weighted average number of common shares outstanding during the period. Under the treasury stock method, diluted net earnings per share is calculated based on the weighted average number of shares issued and outstanding during the year, adjusted by the total of the additional common shares that would have been issued assuming exercise of all stock options with exercise prices at or below the average market price for the year, offset by the reduction in common shares that would be purchased with the exercise proceeds.

Comparative figures

Comparative figures have been restated to conform to current year's presentation.

NOTE 3 Accounting Standards Pending Adoption

The CICA has issued two new accounting standards: Section 1530, *Comprehensive Income*; and Section 3855, *Financial Instruments – Recognition and Measurement*. The Company will apply these standards effective January 1, 2007, which are summarized below.

Section 3855, *Financial Instruments – Recognition and Measurement* – This section describes the standards for recognizing and measuring financial instruments on the balance sheet and the standards for reporting gains and losses in the financial statements. Financial assets classified as loans and receivables and financial liabilities classified as other liabilities have to be measured initially at fair value. The impact of the adoption of this new section on the consolidated financial statements is not expected to be material.

Section 1530, *Comprehensive Income* – A statement entitled "Consolidated Statement of Comprehensive Income" will be added to the Company's Consolidated Statement of Operations and Retained Earnings. Comprehensive income consists of net income plus "other comprehensive income." Other comprehensive income will include the unrealized exchange gains or losses arising from self-sustaining foreign operations. Accumulated other comprehensive income will be presented separately in shareholders' equity.

Acquisitions

In June 2004, the Company purchased 19,472 shares of R-Can Services Limited (R-Can), which is the subsidiary that holds the investment in the Company's Russian operations from existing shareholders for $3.0 million, representing 40.2% of the issued and outstanding shares. In accordance with the terms of the purchase agreement, contingent consideration of $4.2 million was paid in the first quarter of 2005 based on R-Can achieving specified earnings levels in 2004 and was recorded as an additional cost of the purchase allocated to goodwill net of an accrual for contingent consideration.

In June 2004, Trican entered into an agreement to purchase the remaining 5% of the issued and outstanding shares from the remaining shareholder of R-Can. Under the terms of the agreement, the consideration will be based upon a calculated value derived from an adjusted enterprise value. The terms of the agreement provide for no limitation to the maximum consideration payable. The agreement provides for acquisition of the remaining shares equally in each of March 2006, 2007 and 2008.

In March 2006, the Company purchased 1,509 shares of R-Can for $2.5 million; the purchase price was allocated through a reduction in non-controlling interest of $0.3 million and an increase in goodwill of $2.2 million. As a result of the acquisition, the Company's ownership percentage of R-Can increased 1.5% to 97%.

Property and Equipment

(Stated in thousands)	2006	2005
Property and Equipment:		
Land	$ 13,336	$ 10,628
Buildings and improvements	35,478	21,898
Equipment	436,514	331,481
Furniture and fixtures	18,977	13,566
	504,305	377,573
Accumulated Depreciation:		
Buildings and improvements	4,602	3,305
Equipment	107,202	78,269
Furniture and fixtures	7,842	5,487
	119,646	87,061
	$ 384,659	$ 290,512

Property and equipment includes assets under capital lease with a net book value of $7.6 million (2005-$22.2 million) including accumulated amortization of $7.4 million (2005-$15.7 million).

Bank Loans

The Company has a $15.0 million operating line. Advances are available under the operating line either at the bank's prime rate or Bankers' Acceptance plus 0.85% or in combination and are repayable on demand. At December 31, 2006, no amounts were drawn on the operating facility.

NOTE 7 Long-term Debt

The Company has a $25.0 million extendible revolving equipment and acquisition line. Advances are available under the extendible revolving equipment and acquisition line either at the bank's prime rate plus 0.25% or Bankers' Acceptance plus 1.05% or in combination. The facility is extendible annually at the option of the lenders. Should this facility not be extended, outstanding amounts will be transferred to a four-year term facility repayable in equal quarterly installments. This facility is subject to covenants that are typical for this type of arrangement. This facility, together with the operating line, is secured by a general security agreement. At December 31, 2006, no amounts were drawn on the extendible revolving equipment and acquisition facility.

Long-term Debt comprises the following

(Stated in thousands)

	2006	2005
Capital lease obligations	**$ 3,397**	$ 14,154
Less: Current Portion	**3,397**	7,451
	$ —	$ 6,703

The capital lease obligations bear interest at an average rate of 8.12% per annum, repayable on a monthly basis amortized over a seven-year term. The capital lease contracts contain no financial covenants and are secured by a pledge of specific assets.

Interest expense on long-term debt was $0.7 million for the year ended December 31, 2006 (2005 - $1.6 million).

Reference is made to note 16.

NOTE 8 Share Capital

Authorized

The Company is authorized to issue an unlimited number of common shares and preferred shares, issuable in series.

Issued and Outstanding - Common Shares (stated in thousands, except share amounts)

	Number of Shares	Amount
Balance, December 31, 2004	111,301,566	$ 70,185
Exercise of stock options	2,606,566	6,638
Compensation expense relating to options exercised		983
Balance, December 31, 2005	113,908,132	77,806
Exercise of stock options	**1,289,542**	**5,214**
Compensation expense relating to options exercised		**1,641**
Balance, December 31, 2006	**115,197,674**	**$ 84,661**

The Company's shareholders approved a subdivision of its issued and outstanding common shares on a two-for-one basis at the Company's Annual and Special Meeting held on May 10, 2006. The completion of the share split occurred on May 25, 2006, upon approval of securities regulators. All common share and per common share amounts have been restated to reflect the share split.

NOTE 5 Earnings Per Share

Basic Earnings Per Share (Stated in thousands, except share amounts)

	2006	2005
Net income available to common shareholders	**$ 172,563**	$ 131,730
Weighted average number of common shares	**114,845,714**	113,231,782
Basic earnings per share	**$ 1.50**	$ 1.17

Diluted Earnings Per Share

	2006	2005
Net income available to common shareholders	**$ 172,563**	$ 131,730
Diluted weighted average number of common shares		
Weighted average number of common shares	**114,845,714**	113,231,782
Diluted effect of stock options	**4,725,885**	5,097,474
	119,571,599	118,329,256
Diluted earnings per share	**$ 1.44**	$ 1.12

Excluded from the calculation of diluted earnings per share were weighted average options outstanding of 693,795 (2005 – 256,426) as the options' exercise price was greater than the average market price of the common shares for the year.

Stock-based Compensation

The Company has two stock-based compensation plans which are described below.

Incentive stock option plan

Options may be granted at the discretion of the Board of Directors and all officers and employees of the Company are eligible for participation in the Plan. Since July 2004, non-management directors have not participated in this plan. The option price equals the weighted average closing price of the Company's shares on the Toronto Stock Exchange for the five trading days preceding the date of grant. Options granted prior to 2004 vest equally over a period of four years commencing on the first anniversary of the date of grant, and expire on the fifth or tenth anniversary of the date of grant.

In 2004, the Company prospectively revised the stock option plan so that one-third of new options issued vest on each of the first and second anniversary dates, and the remaining third vest ten months subsequent to the second anniversary date. These options expire on the third anniversary from the date of grant. The compensation expense that has been recognized in net income for the twelve months ended is $11.0 million (2005 - $5.2 million). The weighted average grant date fair value of options granted during 2006 has been estimated at $5.77 (2005: $4.71) using the Black-Scholes option pricing model. The Company has applied the following weighted average assumptions in determining the fair value of options on the date of grant:

	2006	2005
Vesting period (years)	**2.8**	2.8
Expiration period (years)	**3.0**	3.0
Expected life (years)	**2.5**	2.5
Weighted average volatility	**33%**	46%
Risk-free interest rate	**4.0%**	3.5%
Expected dividends	**$ 0.08**	—

The Company has reserved 11,519,767 common shares as at December 31, 2006 (December 31, 2005 – 11,390,812) for issuance under a stock option plan for officers and employees. The maximum number of options permitted to be outstanding at any point in time is limited to 10% of the Common Shares then outstanding. As of December 31, 2006, 10,963,944 options (December 31, 2005– 9,075,332) were outstanding at prices ranging from $0.62 - $30.01 per share with expiry dates ranging from 2007 to 2012.

A summary of the status of the Company's stock option plan as of December 31, 2006 and 2005, and changes during the years ending on those dates is presented below:

	2006		2005	
	Options	**Weighted Average Exercise Price**	Options	Weighted Average Exercise Price
Outstanding at the beginning of year	**9,075,332**	**$ 7.27**	9,129,300	$ 3.62
Granted	**3,350,710**	**23.67**	2,731,200	14.79
Exercised	**(1,289,542)**	**4.07**	(2,606,566)	2.55
Cancelled/forfeited	**(172,556)**	**17.28**	(178,602)	4.83
Outstanding at the end of year	**10,963,944**	**$ 12.50**	9,075,332	$ 7.27
Exercisable at end of year	**4,635,767**	**$ 5.73**	3,381,682	$ 3.17

The following table summarizes information about stock options outstanding at December 31, 2006:

Range of Exercise Prices			Options Outstanding: Number Outstanding	Weighted Average Remaining Life	Weighted Average Exercise Price	Options Exercisable: Number Exercisable	Weighted Average Exercisable Price
$ 0.62	to	$ 2.12	113,000	3	$ 1.06	113,000	$ 1.06
2.04	to	3.04	1,019,688	5	2.39	1,019,688	2.39
2.63	to	3.07	725,398	6	2.75	725,398	2.75
3.13	to	3.68	887,112	2	3.39	577,362	3.39
5.20	to	8.84	2,383,283	1	5.89	1,407,483	5.84
10.69	to	25.50	2,590,103	2	14.80	792,836	14.95
17.58	to	30.01	3,245,360	3	23.77	—	—
$ 0.62	to	$ 30.01	10,963,944	2.6	$ 12.50	4,635,767	$ 5.73

Deferred share unit plan:

In 2004, the Company implemented a deferred share unit ("DSU") plan for outside directors. Under the terms of the plan, DSU's awarded will vest immediately and will be settled with cash in the amount equal to the closing price of the Company's common shares on the date the director specifies upon tendering their resignation from the Board, which in any event must be after the date on which the notice of redemption is filed with the Company and within the period from the Director's termination date to December 15 of the first calendar year commencing after the Director's termination date. The Company has recorded a $0.5 million recovery (2005 – $2.2 million expense) in the year relating to DSU's and there are 124,000 DSU's outstanding at year end (2005 –108,000).

Income Taxes

(Stated in thousands)	2006	2005
Current tax provision	$ 70,816	$ 26,967
Future tax provision	8,817	41,795
	$ 79,633	$ 68,762

The geographic income before income taxes and non-controlling interest for the years ended December 31, are as follows:

	2006	2005
Canada	$ 210,250	$ 187,036
Foreign	42,756	13,819
	$ 253,006	$ 200,855

The net income tax provision differs from that expected by applying the combined federal and provincial income tax rate of 32.86% (2005 – 33.60%) to income before income taxes for the following reasons:

	2006	2005
Expected combined federal and provincial income tax	$ 83,138	$ 67,487
Non-deductible expenses	5,188	2,600
Foreign income tax in lower rate jurisdictions	(4,555)	(1,824)
Future income tax rate reduction	(4,937)	—
Translation of foreign subsidiaries	(43)	42
Large corporations tax	114	102
Other	728	355
	$ 79,633	$ 68,762

The components of the net future income tax liability as at December 31 are as follows:

	2006	2005
Future income tax assets:		
Non-capital loss carryforwards	$ 1,337	$ 1,338
Deferred share units	776	1,016
Share issue costs	30	93
Other	253	246
	2,396	2,693
Future income tax liabilities:		
Property, equipment and other assets	(29,367)	(26,349)
Partnership income	(71,046)	(65,642)
	(100,413)	(91,991)
	$ (98,017)	$ (89,298)

NOTE 12 Financial Instruments

Fair values of financial assets and liabilities

The fair values of cash and short term deposits, accounts receivable, accounts payable and accrued liabilities included in the consolidated balance sheets, approximate their carrying amount due to the short-term maturity of these instruments. Long-term debt, including current portion, has a fair value of approximately $3.4 million as at December 31, 2006 (December 31, 2005 – $14.4 million).

Credit risk

Accounts receivable includes balances from a large number of customers. The Company assesses the credit worthiness of its customers on an ongoing basis as well as monitoring the amount and age of balances outstanding. Accordingly, the Company views the credit risks on these amounts as normal for the industry. As at December 31, 2006 the Company's allowance for doubtful accounts was $2.2 million (December 31, 2005 – $1.9 million).

Interest rate risk

The Company manages its exposure to interest rate risks through a combination of fixed and floating rate borrowing facilities that are available if required. As at December 31, 2006, all of its borrowings were at fixed rates.

Foreign currency risk

The Company is exposed to foreign currency fluctuations in relation to its Russian operations and certain equipment and product purchases from U.S. vendors related to its Canadian operations; however, management believes this exposure is not material to its overall operations.

NOTE 13 Contractual Obligations

The Company has future operating lease obligations on office and shop premises and automobile equipment in the aggregate amount of $18.4 million. The Company has capital lease obligations on oil field servicing equipment in the aggregate amount of $3.4 million as disclosed in note 7. The minimum operating lease payments over the next five years are as follows:

(Stated in thousands)	Payments due by period					
	2007	2008	2009	2010	2011	Total
Operating leases	5,472	5,195	3,402	2,226	2,060	$ 18,355

As at December 31, 2006, the Company has commitments totaling approximately $35.7 million relating to the construction of fixed assets.

Segmented Information

The Company provides a comprehensive array of specialized products, equipment, services and technology to customers through two operating divisions:

- Well Service provides deep coiled tubing, nitrogen, fracturing, including coalbed methane fracturing, and cementing services which are performed on new and producing oil and gas wells;

- Production Services provides acidizing, intermediate depth coiled tubing, and industrial services which are predominantly used in the stimulation and reworking of existing oil and gas wells.

(Stated in thousands)	Well Service	Production Services	Corporate	Total
Year ended December 31, 2006				
Revenue	**$ 797,517**	**$ 49,955**	**$ —**	**$ 847,472**
Operating income (loss)	**300,466**	**15,007**	**(31,281)**	**284,192**
Interest expense	**—**	**—**	**736**	**736**
Depreciation and amortization	**31,042**	**2,574**	**1,182**	**34,798**
Assets	**586,718**	**52,476**	**106,017**	**745,211**
Goodwill	**7,931**	**6,052**	**—**	**13,983**
Capital expenditures	**124,122**	**3,129**	**2,879**	**130,130**
Goodwill expenditures	**2,228**	**—**	**—**	**2,228**
Year ended December 31, 2005				
Revenue	$ 601,670	$ 39,228	$ —	$ 640,898
Operating income (loss)	238,830	9,545	(23,197)	225,178
Interest expense	156	—	1,468	1,624
Depreciation and amortization	21,385	2,339	611	24,335
Assets	455,221	38,208	42,114	535,543
Goodwill	5,722	6,052	—	11,774
Capital expenditures	112,769	3,713	3,488	119,970
Goodwill expenditures	4,185	—	—	4,185

The Company's operations are carried out in two geographic locations: Canada and Russia:

(Stated in thousands)	Canada	Russia	Total
Year ended December 31, 2006			
Revenue	**$ 655,680**	**$ 191,792**	**$ 847,472**
Operating income	**236,627**	**47,565**	**284,192**
Property and equipment	**333,203**	**51,456**	**384,659**
Goodwill	**7,014**	**6,969**	**13,983**
Year ended December 31, 2005			
Revenue	$ 555,626	$ 85,272	$ 640,898
Operating income	207,297	17,881	225,178
Property and equipment	257,070	33,442	290,512
Goodwill	7,087	4,687	11,774

Revenue from one customer of Well Service division represents approximately $102.2 million of the Company's total revenues for 2006 ($66.4 million in Well Service and Production Services divisions in 2005).

NOTE 15 Contingencies

The Company, through the performance of its services, is sometimes named as a defendant in litigation. The nature of these claims is usually related to personal injury or completed operations. The Company maintains a level of insurance coverage deemed appropriate by management and for matters for which insurance coverage can be maintained. The Company has no outstanding claims having a potentially material adverse effect on the Company.

NOTE 16 Subsequent Event

On February 2, 2007 the Company announced that it had reached an agreement to acquire approximately 93% of Liberty Pressure Pumping LP ("Liberty"), a provider of pressure pumping services in Texas. Headquartered in Denton, Texas, Liberty provides stimulation services used in the development and completion of oil and gas wells.

Under the terms of the agreement Trican, through a wholly-owned U.S. subsidiary, will acquire an approximate 93% interest in Liberty in exchange for cash consideration of $U.S. 189.8 million and $US 65.9 million of Trican common shares (number of shares to be determined by the $Cdn:$US exchange rate at closing) and a value per share of $Cdn 19.33. Liberty management will retain an approximate 7% interest. Trican will acquire the remaining interest over three years in equal installments at a price based upon the financial results of Liberty in accordance with previously agreed upon terms. Cash consideration will be funded from existing cash and bank facilities and a planned debt financing. The Company's existing bank facilities are in the process of being increased as a result of the transaction and will be finalized once the transaction closes. The transaction was announced February 2 and is expected to close early March.

Summary of Quarterly Results ($ thousands, except per share amounts and operational information; unaudited)

	2006				2005			
	Q4	Q3	Q2	Q1	Q4	Q3	Q2	Q1
Revenue	208,329	244,114	137,440	257,589	207,502	174,261	94,654	164,481
Materials and operating	137,870	145,744	103,676	144,585	118,673	105,227	72,634	96,813
General and administrative	9,147	8,122	6,979	7,156	5,828	6,307	4,773	5,465
Operating income*	61,312	90,248	26,785	105,848	83,001	62,727	17,247	62,203
Interest expense	71	109	371	185	356	350	436	482
Depreciation and amortization	9,848	9,074	8,514	7,361	6,775	6,294	5,866	5,400
Foreign exchange (gain) / loss	(853)	47	(677)	(544)	460	(41)	(1,442)	227
Other expense (income)	(1,079)	(581)	(575)	(85)	(487)	(142)	(298)	88
Income from operations before income taxes and non-controlling interest	53,325	81,599	19,152	98,931	75,897	56,266	12,685	56,006
Provision for income taxes	17,758	26,781	1,495	33,600	25,322	19,615	4,638	19,186
Income from operations before non-controlling interest	35,567	54,818	17,657	65,331	50,575	36,651	8,047	36,820
Non-controlling interest	240	264	210	96	112	86	94	71
Net income	35,327	54,554	17,447	65,235	50,463	36,565	7,953	36,749
Earnings per share								
Basic	0.31	0.47	0.15	0.57	0.45	0.32	0.07	0.33
Diluted	0.30	0.46	0.15	0.55	0.42	0.31	0.07	0.32
Funds provided by operations	63,501	95,365	30,634	37,017	88,854	65,970	17,583	29,762
Number of jobs completed								
Well Service	6,290	7,528	3,875	8,485	8,032	7,324	4,231	6,303
Production Services	798	815	680	819	605	582	464	560
Average revenue per job								
Well Service	31,562	30,955	32,978	28,729	24,630	22,830	20,598	24,348
Production Services	10,598	10,831	11,908	10,653	10,636	8,488	12,176	9,921

* Trican makes reference to operating income, net income before stock-based compensation expense and funds from operations. These are measures that are not recognized under Canadian generally accepted accounting principles (GAAP). Management believes that, in addition to net income, operating income, net income before stock-based compensation expense, net income before stock-based compensation expense per share and funds from operations are useful supplemental measures. Operating income provides investors with an indication of earnings before depreciation, taxes and interest. Net income before stock-based compensation expense provides investors with information on net income excluding the non-cash affect of stock-based compensation expense. Funds from operations provide investors with an indication of cash available for capital commitments, debt repayments and other expenditures. Investors should be cautioned that operating income, net income before stock-based compensation expense, and funds from operations should not be construed as an alternative to net income, net income per share or net cash provided by operations determined in accordance with GAAP as an indicator of Trican's performance. Trican's method of calculating operating income, net income before stock-based compensation expense and funds from operations may differ from that of other companies and accordingly may not be comparable to measures used by other companies.

** Comparative amounts have been restated to reflect the effect of the May 2006 two-for-one stock split.

Corporate Information

BOARD OF DIRECTORS

Kenneth M. Bagan [1][2]
President and Chief Executive Officer
Wellco Energy Services Trust

Gary R. Bugeaud [2]
Partner, Burnet, Duckworth & Palmer LLP

Murray L. Cobbe
President and Chief Executive Officer

Donald R. Luft
Senior Vice President, Operations and
Chief Operating Officer

Douglas F. Robinson [1][2]
President and Chief Executive Officer
Enerchem International Inc.

Victor J. Stobbe [1]
Vice President, Corporate Affairs
Wave Energy Ltd.

OFFICERS

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President and Chief Executive Officer

Donald R. Luft
Senior Vice President, Operations and
Chief Operating Officer

Michael G. Kelly, C.A.
Vice President, Finance and Administration and
Chief Financial Officer

Gary R. Bugeaud
Corporate Secretary

Dale M. Dusterhoft
Vice President, Technical Services

David L. Charlton
Vice President, Sales and Marketing

John D. Ursulak, C.A.
Corporate Controller

Bonita M. Croft
General Counsel

James P. Bonyai, C.A.
Treasurer

(1) Member of the Audit Committee
(2) Member of the Compensation and
Corporate Governance Committee

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Royal Bank of Canada
Calgary, Alberta

REGISTRAR AND TRANSFER AGENT

Computershare Trust Company of Canada
Calgary, Alberta

STOCK EXCHANGE LISTING

The Toronto Stock Exchange
Trading Symbol: TCW

INVESTOR RELATIONS INFORMATION

Requests for information should be directed to:

Murray L. Cobbe
President and Chief Executive Officer

Michael G. Kelly, C.A.
Vice President, Finance and Administration and
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Printed in Canada